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and Program Planning



Volume 1

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PROPRIETARY FUND BUDGET [Section P] can be found on the Internet at:

http://mt.gov/budget/budgets/2009_budget/HB0576OBPP_P.pdf



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GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION A: GENERAL GOVERNMENT & TRANSPORTATION

Legislative Branch
Consumer Counsel
Judicial Branch
Governor's Office
Secretary of State's Office
Commissioner of Political Practices

State Auditor's Office
Department of Transportation
Department of Revenue
Department of Administration
Consensus Council
Office of the Public Defender

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Legislative Branch-1104

Mission Statement - The mission of the Legislature is to exercise the legislative power of state government vested in the Legislature by The Constitution of the State of Montana. The mission of the Legislative Branch, i.e., the consolidated legislative agency, is to provide the administrative structure to support accomplishment of the mission of the Legislature.

Statutory Authority - Principal statutory authority for the Legislative Services Division is found in Title 1, Chapter 11, and Title 5, Chapters 5 and 11, MCA. Principal statutory authority for the Legislative Fiscal Division is found in The Legislative Finance Act, Title 5, Chapter 12, MCA. The function of the Legislative Audit Division is constitutionally required, with principal statutory authority in The Legislative Audit Act, Title 5, Chapter 13, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	124.97	0.00	3.00	127.97	0.00	3.00	133.14
Personal Services	7,639,179	1,304,807	170,762	9,114,748	1,321,843	170,901	9,131,923
Operating Expenses	2,333,927	348,858	135,647	2,818,432	(17,526)	74,782	2,391,183
Equipment	21,693	68,307	0	90,000	38,307	0	60,000
Transfers	0	0	0	0	0	0	0
Total Costs	\$9,994,799	\$1,721,972	\$306,409	\$12,023,180	\$1,342,624	\$245,683	\$11,583,106
General Fund	7,730,017	1,471,457	306,409	9,507,883	1,690,463	245,683	9,666,163
State/Other Special	2,264,782	250,515	0	2,515,297	(347,839)	0	1,916,943
Total Funds	\$9,994,799	\$1,721,972	\$306,409	\$12,023,180	\$1,342,624	\$245,683	\$11,583,106

Legislative Branch-1104

Legislative Services Division-20

Program Description - The Legislative Services Division provides objective research, reference, legal, technical, information technology, and administrative support services to the House, Senate, and other divisions of the Legislative Branch. Division services include: 1) bill and amendment drafting, preparation of bills for introduction, and engrossing and enrolling bills; 2) publication of legislative documents of record; 3) provision of legislative research and reference services; 4) legal counseling on legislative matters and agency legal support; 5) agency business services; 6) planning, installation, and maintenance of the agency computer network and applications; 7) legislative committee staffing and support; 8) preparation, publication, and distribution of the Montana Code Annotated text and annotations; 9) review of the text of proposed ballot measures; 10) broadcasting of legislative activities; and 11) provision of legislative information to the public. The Legislative Council provides policy guidance to the Legislative Services Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	51.00	0.00	3.00	54.00	0.00	3.00	59.17
Personal Services	3,313,004	465,820	164,150	3,942,974	543,591	164,287	4,020,882
Operating Expenses	1,833,022	257,045	7,626	2,097,693	5,529	(56,365)	1,782,186
Equipment	21,693	68,307	0	90,000	38,307	0	60,000
Transfers	0	0	0	0	0	0	0
Total Costs	\$5,167,719	\$791,172	\$171,776	\$6,130,667	\$587,427	\$107,922	\$5,863,068
General Fund	4,337,321	756,904	171,776	5,266,001	1,080,766	107,922	5,526,009
State/Other Special	830,398	34,268	0	864,666	(493,339)	0	337,059
Total Funds	\$5,167,719	\$791,172	\$171,776	\$6,130,667	\$587,427	\$107,922	\$5,863,068

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$238,088	\$199,348
FY 2009	(\$81,283)	\$192,834

PL- 1 - Program Operations, Legislative Services Division -

Agency-wide fixed costs appropriated to LSD increased a total of \$149,572 for the biennium. Additional increases and decreases, which reflect the legislative business cycle, include a \$41,543 increase in the first year and a \$257,282 decrease in the second year related to publication and distribution of the Montana Codes Annotated, and a second year increase of \$17,000 related to increased printing and office supply costs during a legislative session. The branch computer network budget, as approved by the Computer Systems Planning Council, is included.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$26,393)	(\$26,393)
FY 2009	(\$26,353)	(\$26,353)

NP- 2 - Network Technician FTE/Contracted Srv Reduction -

This proposal includes a biennial general fund reduction of \$135,000 in present law contracted services from the branch computer network budget and a biennial increase of \$82,254 in personal services to fund an ongoing need for a network technician. The general fund reduction of \$52,746 over the biennium is the result of personal services costs compared to contracted services hourly rates.

Legislative Branch-1104

Legislative Services Division-20

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$436)	(\$436)
FY 2009	\$74,624	\$74,624

NP- 3 - Computer Security FTE/Contracted Srv Reduction -

During the 2007 biennium, the Legislative Services Division contracted for performance of a security risk analysis of the Legislative Branch information technology environment and for development of related security policies. A separate contract finalized development of a disaster recovery plan for the branch. In response to report recommendations, the LSD is requesting the addition of a Security and Disaster Recovery Officer to ensure the technology security plan and the disaster recovery plan are implemented and maintained. The biennial general fund cost of \$149,188, when combined with a reduction of \$75,000 in the branch network budget, results in a biennial increase of \$74,188.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$135,000	\$135,000
FY 2009	\$0	\$0

NP- 4 - Technology Allowance for Legislators -

The Computer Systems Planning Council, at the request of the Legislative Council, is proposing a program to financially assist legislators in purchasing hardware or software for conducting legislative business. Each legislator would be eligible to be reimbursed up to \$900 for substantiated purchases which meet program criteria.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$63,605	\$63,605
FY 2009	\$59,651	\$59,651

NP- 5 - Legislative Information Officer FTE -

The proposal provides for a legislative information officer to conduct and coordinate public outreach and to increase awareness and understanding of the legislative institution. Biennial costs include an operational budget of \$6,261, a \$20,000 budget for printing and distribution of educational materials and for training, and personal services costs of \$96,998.

Legislative Branch-1104

Legis. Committees & Activities-21

Program Description - The Legislative Committees and Activities Program supports the activities of standing and interim legislative committees conducted during the interim between legislative sessions. Program expenditures support: 1) interim study activities as defined in 5-5-202 through 5-5-217, MCA; 2) cooperative interstate, international and intergovernmental activities as outlined in 5-11-303 through 5-11-305, MCA; and 3) other legislative activities for which appropriations are made.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.97	0.00	0.00	0.97	0.00	0.00	0.97
Personal Services	68,237	47,392	6,612	122,241	(28,293)	6,614	46,558
Operating Expenses	274,445	86,147	128,021	488,613	(68,472)	131,147	337,120
Transfers	0	0	0	0	0	0	0
Total Costs	\$342,682	\$133,539	\$134,633	\$610,854	(\$96,765)	\$137,761	\$383,678
General Fund	342,682	133,539	134,633	610,854	(96,765)	137,761	383,678
State/Other Special	0	0	0	0	0	0	0
Total Funds	\$342,682	\$133,539	\$134,633	\$610,854	(\$96,765)	\$137,761	\$383,678

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$85,392	\$85,392
FY 2009	(\$69,252)	(\$69,252)

PL- 6 - Program Operations, Committees & Activities Prg -

First year increases and second year decreases reflect the biennial legislative cycle. Program increases relate to increased cost of legislator mileage, photocopy equipment, and revisions to 2-15-1019, MCA, requiring legislative liaisons to the state compensation insurance fund board of directors.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,248	\$14,248
FY 2009	\$14,248	\$14,248

NP- 7 - Participation, Nat'l Conf of State Legislatures -

Montana is a member of the National Conference of State Legislatures (NCSL), an interstate organization which provides research and technical assistance, and opportunities for policymakers to exchange ideas. This proposal allows for participation of eight delegates in one NCSL conference each year at a biennial cost of \$28,496.

Legislative Branch-1104

Legis. Committees & Activities-21

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$91,177	\$91,177
FY 2009	\$94,303	\$94,303

NP- 8 - Participation & Dues, Council of State Govt. -

This proposal provides for payment of Montana's membership dues in the Council of State Governments (CSG), an interstate organization which serves the Executive, Judicial and Legislative branches of state governments and advocates multi-state problem solving. A biennial budget of \$185,480 includes \$159,464 for dues and \$26,016 for participation of eight delegates in one CSG conference each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$20,538	\$20,538
FY 2009	\$20,539	\$20,539

NP- 9 - Participation, Pacific NW Econ Region -

Title 5, Chapter 11, part 7, MCA, defines Montana's agreement with the Pacific Northwest Economic Region (PNWER), an international organization promoting regional collaboration among the states of Alaska, Idaho, Montana, Oregon, and Washington, the provinces of Alberta and British Columbia, and the Yukon Territory. Statute also defines procedures for the appointment and compensation of delegates. A budget of \$41,077 represents payment of \$30,000 for Montana's dues and participation of four delegates once each fiscal year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,670	\$8,670
FY 2009	\$8,671	\$8,671

NP- 10 - Participation, River Governance -

The Legislative Council on River Governance is comprised of legislators from Montana, Oregon, Idaho, and Washington. The council mission is to assert state legislative authority over natural resources and river governance issues and to unite states for a proactive agenda of legislative action. This proposal provides funding for four members to participate in council meetings during the 2009 biennium.

Legislative Branch-1104

Fiscal Analysis & Review-27

Program Description - The Legislative Fiscal Division provides the legislature with objective fiscal information and analysis relevant to Montana public policy and budget determination. Division services include: 1) fiscal analysis of state government and the furnishing of information bearing upon the financial matters of the state; 2) identification of ways to effect economy and efficiency in state government; 3) estimation of revenue and analysis of tax policy; 4) analysis of the executive budget; 5) compiling and analyzing fiscal information for legislators and legislative committees; and 6) staffing and support for legislative committees, including the preparation and processing of the General Appropriations Act. The Legislative Finance Committee provides guidance to the Legislative Fiscal Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	18.50	0.00	0.00	18.50	0.00	0.00	18.50
Personal Services	1,206,744	218,400	0	1,425,144	220,508	0	1,427,252
Operating Expenses	36,290	(214)	0	36,076	43,292	0	79,582
Transfers	0	0	0	0	0	0	0
Total Costs	\$1,243,034	\$218,186	\$0	\$1,461,220	\$263,800	\$0	\$1,506,834
General Fund	1,243,034	218,186	0	1,461,220	263,800	0	1,506,834
Total Funds	\$1,243,034	\$218,186	\$0	\$1,461,220	\$263,800	\$0	\$1,506,834

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$45,000	\$45,000

PL- 12 - Program Operations, Analysis & Review Program -

Increases to base total \$45,000 in the categories of overtime, temporary services, printing and photocopy, and office supplies, and are due to cyclical legislative session costs which are not captured in the base year.

Legislative Branch-1104 Audit & Examination-28

Program Description - The Legislative Audit Division conducts independent audits and provides factual and objective information to the legislative and executive managers of the public trust. Division services include: 1) conducting and reporting of biennial financial-compliance audits, performance audits, information systems audits, and special audits of state agency operations; 2) reporting of violation of penal statutes, instances of misfeasance, malfeasance, or nonfeasance, and shortages discovered in an audit that are covered by surety; 3) auditing records of entities under contract with the state; and 4) assisting the legislature, its committees, and its members by providing information related to the fiscal affairs of state government. The Legislative Audit Committee provides policy guidance to the Legislative Audit Division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	54.50	0.00	0.00	54.50	0.00	0.00	54.50
Personal Services	3,051,194	573,195	0	3,624,389	586,037	0	3,637,231
Operating Expenses	190,170	5,880	0	196,050	2,125	0	192,295
Transfers	0	0	0	0	0	0	0
Total Costs	\$3,241,364	\$579,075	\$0	\$3,820,439	\$588,162	\$0	\$3,829,526
General Fund	1,806,980	362,828	0	2,169,808	442,662	0	2,249,642
State/Other Special	1,434,384	216,247	0	1,650,631	145,500	0	1,579,884
Total Funds	\$3,241,364	\$579,075	\$0	\$3,820,439	\$588,162	\$0	\$3,829,526

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,955	\$3,958
FY 2009	(\$1,545)	(\$476)

PL- 13 - Program Operations, Audit & Examination Program -

Changes from the adjusted base include cyclical costs associated with a Peer Review required by Governmental Auditing Standards, on-site training costs, and contract services for the potential use of actuarial expertise on audits of the retirements systems and the Montana State Fund.

Consumer Counsel-1112 Administration Program-01

Mission Statement - To represent the utility and transportation consuming public of the State of Montana in hearings before the Public Service Commission or any other successor agency, and before state and federal courts and administrative agencies.

Statutory Authority - Article XIII, Section 2, 1972 Montana Constitution
Title 5, Chapter 15 MCA and
Title 69, Chapters 1 and 2 MCA

Program Description - The Office of the Consumer Counsel is charged with the duty of representing consumer interests in hearings before the Public Service Commission or any other successor agency. The agency also may initiate, intervene in, or participate in appropriate proceedings in the court systems or administrative agencies on behalf of the public of Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54
Personal Services	377,824	113,328	0	491,152	114,075	0	491,899
Operating Expenses	736,677	258,632	0	995,309	272,401	0	1,009,078
Total Costs	\$1,114,501	\$371,960	\$0	\$1,486,461	\$386,476	\$0	\$1,500,977
State/Other Special	1,114,501	371,960	0	1,486,461	386,476	0	1,500,977
Total Funds	\$1,114,501	\$371,960	\$0	\$1,486,461	\$386,476	\$0	\$1,500,977

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$257,340	\$0
FY 2009	\$270,586	\$0

PL- 1 - Present Law Base Adjustments -

The present law budget increase includes \$207,000 per year to restore the contingency appropriation to \$250,000 in each year of the 2009 biennium. Other adjustments are attributed to contract amounts and anticipated workload.

Judicial Branch-2110

Mission Statement - The Judiciary's mission is to provide an independent, accessible, responsive, impartial and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

Statutory Authority - Article III, Section 1, and Article VII, Montana Constitution; Title 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	392.13	0.00	5.45	397.58	0.00	5.45	397.58
Personal Services	22,067,067	3,101,190	238,420	25,406,677	3,163,326	239,116	25,469,509
Operating Expenses	16,357,847	(8,363,693)	364,176	8,358,330	(8,318,521)	356,139	8,395,465
Equipment	336,004	39,028	0	375,032	61,049	0	397,053
Grants	0	0	300,000	300,000	0	0	0
Debt Service	29,269	0	0	29,269	0	0	29,269
Total Costs	\$38,790,187	(\$5,223,475)	\$902,596	\$34,469,308	(\$5,094,146)	\$595,255	\$34,291,296
General Fund	37,410,432	(5,631,754)	823,892	32,602,570	(5,506,166)	516,582	32,420,848
State/Other Special	1,209,268	409,187	122,903	1,741,358	412,398	122,903	1,744,569
Federal Special	170,487	(908)	(44,199)	125,380	(378)	(44,230)	125,879
Total Funds	\$38,790,187	(\$5,223,475)	\$902,596	\$34,469,308	(\$5,094,146)	\$595,255	\$34,291,296

Judicial Branch-2110

Table A-1

Judicial Branch Budget Request Compared to Executive Recommended Budget

BIENNIAL AMOUNTS FY 2008 & FY 2009				
	Branch	OBPP	OBPP Over/(Under)	
<u>Branch Wide</u>	<u>Submission</u>	<u>Recommended</u>	<u>Submission</u>	
FTE	397.58	397.58	0.00	
Personal Services	52,436,186	50,876,186	(1,560,000)	
Operating Costs	18,424,295	18,354,295	(70,000)	
Equipment	3,106,585	3,106,585	-	
Grants	300,000	300,000	-	
Debt Service	<u>58,538</u>	<u>58,538</u>	<u>-</u>	
TOTAL	<u>\$ 74,325,604</u>	<u>\$ 72,695,604</u>	<u>\$ (1,630,000)</u>	
<u>Funding</u>				
General Fund	70,588,418	68,958,418	(1,630,000)	
State/Other Special	3,485,927	3,485,927	-	
Federal	<u>251,259</u>	<u>251,259</u>	<u>-</u>	
TOTAL	<u>\$ 74,325,604</u>	<u>\$ 72,695,604</u>	<u>\$ (1,630,000)</u>	
*Note: \$3,935,000 of the Judiciary request is related to an Information Technology Bill and is included in the IT Bill rather than HB 2.				
ITEMS NOT RECOMMENDED		AMOUNTS NOT RECOMMENDED TO BE FUNDED		
	<u>FTE</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>TOTAL REDUCTION</u>
Judicial Education		(35,000)	(35,000)	(70,000)
Pay Equity		(780,000)	(780,000)	(1,560,000)
TOTAL		<u>\$ (815,000)</u>	<u>\$ (815,000)</u>	<u>\$ (1,630,000)</u>

Judicial Branch-2110 Supreme Court Operations-01

Program Description - The Supreme Court has appellate jurisdiction for the State of Montana. The Court has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, admissions to the bar, and the conduct of its members. Within the Supreme Court Operations program, the Office of Court Administrator provides services to the Judicial Branch including information technology, budget and finance, payroll and human resource management, policy and technical support for the Youth Courts, judicial education, and children's services provided through the federal Court Assessment Program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	62.75	0.00	1.50	64.25	0.00	1.50	64.25
Personal Services	3,742,078	531,561	95,610	4,369,249	543,277	95,820	4,381,175
Operating Expenses	2,749,687	841,306	221,659	3,812,652	898,257	213,478	3,861,422
Equipment	9,717	0	0	9,717	0	0	9,717
Total Costs	\$6,501,482	\$1,372,867	\$317,269	\$8,191,618	\$1,441,534	\$309,298	\$8,252,314
General Fund	6,220,953	1,373,775	361,468	7,956,196	1,441,912	353,528	8,016,393
State/Other Special	110,042	0	0	110,042	0	0	110,042
Federal Special	170,487	(908)	(44,199)	125,380	(378)	(44,230)	125,879
Total Funds	\$6,501,482	\$1,372,867	\$317,269	\$8,191,618	\$1,441,534	\$309,298	\$8,252,314

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,721	\$2,721
FY 2009	\$5,019	\$5,019

PL- 1005 - Rent Federal Building -

This request is for \$2,721 in FY 2008 and \$5,019 in FY 2009 general fund and to cover an annual increase in lease payments for space rented at the Park Avenue Building. A 2% increase is required every November per the lease agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$260,723	\$260,723
FY 2009	\$260,723	\$260,723

PL- 1007 - IT Software Maintenance -

This proposal seeks \$260,723 of general fund support for maintenance of the Full Court Case Management System in the Courts of Limited Jurisdiction and maintenance for the C-Track Appellate Case Management system for the Supreme Court.

Judicial Branch-2110 Supreme Court Operations-01

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$119,334	\$119,334
FY 2009	\$113,949	\$113,949

NP- 1001 - Appellate Mediator -

This proposal provides \$233,283 of general fund for the biennium for 1.00 FTE appellate mediator, 0.50 FTE administrative support, and necessary operating funds. Montana is one of nine states that does not have an intermediate appellate court. This appellate mediator position would benefit the Court greatly in increasing the mediation success rate, thereby allowing the Justices more time to devote to remaining cases and issuing decisions more expeditiously.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,534	\$56,534
FY 2009	\$53,979	\$53,979

NP- 1004 - Pro Se Law Clerk -

This proposal provides \$110,513 general fund for the biennium for 1.00 FTE pro se law clerk for the Supreme Court. Each year, the Court processes hundreds of pro se petitions for extraordinary relief in criminal matters and appeals from pro se applicants. This position would greatly improve court efficiency by providing a preliminary review and tracking of these matters.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$44,199)	\$0
FY 2009	(\$44,230)	\$0

NP- 1006 - CASA Federal Grant -

This proposal reduces Federal Special Revenue Fund authority by \$44,199 in FY 2008, \$44,230 in FY 2009 and 1.00 FTE each year for the Court Appointed Special Advocate (CASA) grant. In January 2006, the state CASA program became a non-profit organization. The Judicial Branch will no longer receive federal funds for this program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$185,600	\$185,600
FY 2009	\$185,600	\$185,600

NP- 1007 - CASA Funding Stabilization -

The Court Appointed Special Advocates (CASA) program currently has \$114,400 in general fund per year in base level funding in the Supreme Court. The Executive recommends increasing this base state funding \$185,600 per year to stabilize and enhance funding for this volunteer program, thus increasing the number of youths served.

Judicial Branch-2110 Boards And Commissions-02

Program Description - The Supreme Court is responsible for a variety of matters involving rule making and oversight of the administration of justice in Montana. These obligations are met, in part, through various boards and commissions that are statutorily or legislatively mandated. These boards and commissions include the Sentence Review Division, Commission on Practice, Commission on Courts of Limited Jurisdiction, and Judicial Standards Commission.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00
Personal Services	150,665	17,355	0	168,020	17,497	0	168,162
Operating Expenses	134,803	24,031	0	158,834	(704)	0	134,099
Total Costs	\$285,468	\$41,386	\$0	\$326,854	\$16,793	\$0	\$302,261
General Fund	260,462	41,386	0	301,848	16,793	0	277,255
State/Other Special	25,006	0	0	25,006	0	0	25,006
Total Funds	\$285,468	\$41,386	\$0	\$326,854	\$16,793	\$0	\$302,261

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,965	\$22,965
FY 2009	(\$2,036)	(\$2,036)

PL- 2002 - Judicial Standards Restricted/Bien. Appropriation -

This proposal requests \$20,929 in general fund appropriation for the constitutionally mandated Judicial Standards Commission. The Judicial Branch received a \$25,000 restricted, biennial, general fund appropriation to be used to pay for the investigations of complaints against judges for the 2007 biennium. This request is to restore the appropriation to \$25,000 level for the 2009 biennium. This funding is used for investigations of complaints against Judges. If the costs are not incurred, the funds will revert to the general fund.

Judicial Branch-2110 Law Library-03

Please note that this program also contains proprietary funds (see section P).

Program Description - The State Law Library of Montana provides access to recorded legal knowledge and information consistent with the present and anticipated research needs, responsibilities, and concerns of Montana's courts, legislature, state officers and employees, members of the bar of the Supreme Court of Montana, and members of the general public. The library selects, acquires, and maintains resources consistent with this mission. More electronic licenses are acquired each year, which frequently replace the hard copies. This allows the Library both to get the information more quickly to the customer and to conserve its available shelf space for books and other printed material.

Library staff promotes understanding of the library's research capabilities by teaching legal bibliography and methods of legal research. Access to materials other than those in the library collection is facilitated by providing interlibrary loan service and having an Internet presence. Space, equipment, and technology are maintained in a manner that will ensure operational efficiency, improve collection preservation, and respond to requirements for accessibility of users and staff.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	6.75	0.00	0.00	6.75	0.00	0.00	6.75
Personal Services	324,101	30,761	0	354,862	32,122	0	356,223
Operating Expenses	150,153	549	0	150,702	774	0	150,927
Equipment	278,760	39,028	0	317,788	61,049	0	339,809
Debt Service	23,369	0	0	23,369	0	0	23,369
Total Costs	\$776,383	\$70,338	\$0	\$846,721	\$93,945	\$0	\$870,328
General Fund	776,383	70,338	0	846,721	93,945	0	870,328
Total Funds	\$776,383	\$70,338	\$0	\$846,721	\$93,945	\$0	\$870,328

Judicial Branch-2110 District Court Operations-04

Program Description - The District Courts are courts of general jurisdiction with authority in all criminal felony cases, civil matters and other cases of law. The District Courts are also the state's Youth Courts responsible for managing juvenile probation functions. There are 43 District Court judges with responsibility divided into 22 judicial districts serving all 56 counties. The 2001 Legislature mandated state funding of District Court expenses, including judges and their employees. This change made the District Courts part of the Judicial Branch of state government and made the Supreme Court responsible for management of costs and operations. District Court costs are the largest segment of the Judicial Branch budget.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	296.13	0.00	3.95	300.08	0.00	3.95	300.08
Personal Services	16,780,759	2,123,565	142,810	19,047,134	2,169,867	143,296	19,093,922
Operating Expenses	13,076,483	(9,262,266)	142,517	3,956,734	(9,251,914)	142,661	3,967,230
Equipment	23,562	0	0	23,562	0	0	23,562
Grants	0	0	300,000	300,000	0	0	0
Debt Service	5,900	0	0	5,900	0	0	5,900
Total Costs	\$29,886,704	(\$7,138,701)	\$585,327	\$23,333,330	(\$7,082,047)	\$285,957	\$23,090,614
General Fund	29,756,160	(7,138,701)	462,424	23,079,883	(7,082,047)	163,054	22,837,167
State/Other Special	130,544	0	122,903	253,447	0	122,903	253,447
Total Funds	\$29,886,704	(\$7,138,701)	\$585,327	\$23,333,330	(\$7,082,047)	\$285,957	\$23,090,614

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$200,000
FY 2009	\$200,000	\$200,000

PL- 4008 - Psychological Exams and Related Costs -

The Montana Public Defender Act (SB 146), enacted in 2005, shifted significant costs from the counties to the state for room and board, transportation, medicine, and other medical costs associated with court-ordered psychiatric examinations. These costs did not become a Judicial Branch obligation until July 1, 2006; therefore, the expenses are not in the Judiciary's FY 2006 base. This proposal provides funding for these associated expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$9,501,248)	(\$9,501,248)
FY 2009	(\$9,501,248)	(\$9,501,248)

PL- 4009 - Variable Cost Base Adjustment -

The Montana Public Defender Act (SB 146), enacted in 2005, transferred to the Office of the State Public Defender the obligation to pay (effective for FY 2007) some of the variable costs that the Judiciary previously paid. Therefore, the Judiciary FY 2006 base expenditures include funding that must be decreased for FY 2008 and FY 2009. This adjustment moves \$9,501,248 each year of the 2009 biennium.

Judicial Branch-2110 District Court Operations-04

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$300,000	\$300,000
FY 2009	\$0	\$0

NP- 4005 - District Court Safety and Security Proposal - OTO -

This proposal for security infrastructure improvements for the District Courts would address significant public safety needs that were identified through surveys and on-site audits performed by the Department of Justice. Although court security is primarily a county law enforcement responsibility, the state has a significant responsibility because the District Courts are state-funded. This proposal would provide grants to counties and District Courts that agree to create joint security committees and adopt standard protocols for court security. The grant funds would be used to purchase items necessary for court security such as closed circuit cameras, convex mirrors, door and duress alarms, hand held metal detectors, and wireless prisoner restraints.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$162,424	\$162,424
FY 2009	\$163,054	\$163,054

NP- 4010 - Judicial Support and Youth Probation Staff -

This proposal provides funding for 3.95 District Court FTE. The proposal provides a total of 0.95 FTE to two judicial districts that lack the minimum level of support staff to perform essential administrative tasks. This proposal also provides 3.00 FTE to support community-based supervision programs in two judicial districts. Failure to fund these positions likely will result in more placements in county detention facilities and state youth correctional facilities at significantly higher costs to both the counties and state. The general fund cost of the proposal is \$162,424 in FY 2008 and \$163,054 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$122,903	\$0
FY 2009	\$122,903	\$0

NP- 4011 - Replace State Special for Funding from Counties -

Senate Bill 490, from the 2003 legislative session, established a state special revenue account for the Judicial Branch. Counties paid their obligations for the sick and annual leave balances of their employees who transferred to the state during District Court assumption and the funds were deposited into this state special revenue fund. If a Judicial Branch employee retires and they were a county employee at the time of District Court assumption, the Judicial Branch pays their sick and annual leave balance payments from this state special revenue fund. This request includes \$122,903 each year of the biennium to fund the projected payouts.

Judicial Branch-2110 Water Courts Supervision-05

Program Description - The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana pursuant to Title 3, Chapter 7 and Title 85, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	18.00	0.00	0.00	18.00	0.00	0.00	18.00
Personal Services	714,651	377,406	0	1,092,057	378,291	0	1,092,942
Operating Expenses	205,060	31,781	0	236,841	34,107	0	239,167
Equipment	23,965	0	0	23,965	0	0	23,965
Total Costs	\$943,676	\$409,187	\$0	\$1,352,863	\$412,398	\$0	\$1,356,074
State/Other Special	943,676	409,187	0	1,352,863	412,398	0	1,356,074
Total Funds	\$943,676	\$409,187	\$0	\$1,352,863	\$412,398	\$0	\$1,356,074

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$31,086	\$0
FY 2009	\$33,324	\$0

PL- 5001 - Water Court Rent Increase -

This proposal requests \$31,086 in FY 2008 and \$33,324 in FY 2009 to cover office lease increases. The new rental lease did not go into effect until May 2006, therefore, this increase is necessary to annualize the cost in FY 2008 and FY 2009. The lease includes a 3% inflation factor.

Judicial Branch-2110 Clerk Of Court-06

Program Description - The Office of Clerk of the Supreme Court Program, pursuant to Title 3, Chapter 2, part 4, conducts the business of the Court, and serves as the liaison between the public, attorneys, and the Supreme Court. By statutory authority, the clerk controls the docket and filings, manages the appellate process, and is the custodian of all legal records for the public and the Court. Additionally, the clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana's attorneys.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.50	0.00	0.00	5.50	0.00	0.00	5.50
Personal Services	354,813	20,542	0	375,355	22,272	0	377,085
Operating Expenses	41,661	906	0	42,567	959	0	42,620
Equipment	0	0	0	0	0	0	0
Total Costs	\$396,474	\$21,448	\$0	\$417,922	\$23,231	\$0	\$419,705
General Fund	396,474	21,448	0	417,922	23,231	0	419,705
Federal Special	0	0	0	0	0	0	0
Total Funds	\$396,474	\$21,448	\$0	\$417,922	\$23,231	\$0	\$419,705

Governors Office-3101

Mission Statement - To oversee and direct the activities of the Executive Branch of Montana state government, consistent with statutory and constitutional mandates, in a manner that provides necessary and affordable services to the citizens of Montana.

Statutory Authority - Primary authority is Article VI, Montana Constitution

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	59.07	0.00	3.30	62.37	0.00	3.30	62.37
Personal Services	3,638,215	369,923	191,066	4,199,204	377,915	191,167	4,207,297
Operating Expenses	1,433,528	426,925	198,500	2,058,953	427,323	198,500	2,059,351
Transfers	0	429,000	0	429,000	0	0	0
Total Costs	\$5,071,743	\$1,225,848	\$389,566	\$6,687,157	\$805,238	\$389,667	\$6,238,848
General Fund	5,044,574	1,225,217	389,566	6,659,357	804,607	389,667	6,238,848
State/Other Special	6,711	21,089	0	27,800	21,089	0	27,800
Federal Special	20,458	(20,458)	0	0	(20,458)	0	0
Proprietary	0	0	0	0	0	0	0
Total Funds	\$5,071,743	\$1,225,848	\$389,566	\$6,687,157	\$805,238	\$389,667	\$6,266,648

Governors Office-3101

Executive Office Program-01

Program Description - The Executive Office Program aids the Governor in overseeing and coordinating the activities of the Executive Branch of Montana state government. The program provides administrative, legal, and press support for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Development, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	21.63	0.00	1.90	23.53	0.00	1.90	23.53
Personal Services	1,502,817	53,416	118,652	1,674,885	54,263	118,727	1,675,807
Operating Expenses	833,344	314,541	191,000	1,338,885	326,698	191,000	1,351,042
Total Costs	\$2,336,161	\$367,957	\$309,652	\$3,013,770	\$380,961	\$309,727	\$3,026,849
General Fund	2,336,161	367,957	309,652	3,013,770	380,961	309,727	3,026,849
Total Funds	\$2,336,161	\$367,957	\$309,652	\$3,013,770	\$380,961	\$309,727	\$3,026,849

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$373,695	\$373,695
FY 2009	\$373,695	\$373,695

PL- 1 – Marketing Montana and Business Recruitment

The Executive recommends \$373,695 each year of the biennium, when combined with the base budget, will create a \$500,000 general fund appropriation each year of the biennium for the Office of Economic Development. The office will work with local economic development organizations in creation and production of marketing materials, selective targeted institutional advertising, placement of free economic development news in industry publications, proper state and local web site construction and maintenance, industry and company target research, creation of in-state and out-of-state recruitment teams, selective trade show activity, and recruitment deal construction, marketing and closure, among other activities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$93,913)	(\$93,913)
FY 2009	(\$93,913)	(\$93,913)

PL- 5 - Executive Protection Reduction -

This reduction removes funding for Executive Protection of \$93,913 general fund in each year of the biennium. A corresponding increase can be found in the budget of the Highway Patrol Division in the Department of Justice which currently provides Montana Highway Patrol personnel for Executive Protection duties.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$15,000
FY 2009	\$15,000	\$15,000

PL- 6 - Governor's Office OTO Partial Reauthorization -

The Executive recommends an increase in the operating budget to support a correspondence and constituent tracking system, staff training, meetings, printing costs, and ITSD maintenance and hosting. The request is funded with general fund at an on-going cost of \$15,000 for each year of the biennium.

**Governors Office-3101
Executive Office Program-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,682	\$9,682
FY 2009	\$9,686	\$9,686

NP- 7 - Student Intern Executive Office -

The Executive Office Program requests approximately \$9,700 general fund in each year of the biennium for several student intern positions for summer and other part-time work. This provides students with relevant work experience and assists staff in workload and completing special projects.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$299,970	\$299,970
FY 2009	\$300,041	\$300,041

NP- 101 - Federal Relations Office -

The budget includes approximately \$300,000 per year for 1.50 FTE and related operating expenses to create and maintain an office for the State of Montana in Washington, DC. The staff would work to promote Montana and identify and coordinate issues related to Montana and its citizens.

Governors Office-3101

Governor's Residence Operations-02

Program Description - The Governor's Residence Operations Program provides for the day-to-day operations of the official state Executive Residence.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	56,061	1,693	0	57,754	1,928	0	57,989
Operating Expenses	32,275	29,432	0	61,707	29,927	0	62,202
Total Costs	\$88,336	\$31,125	\$0	\$119,461	\$31,855	\$0	\$120,191
General Fund	88,336	31,125	0	119,461	31,855	0	120,191
Total Funds	\$88,336	\$31,125	\$0	\$119,461	\$31,855	\$0	\$120,191

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$25,000
FY 2009	\$25,000	\$25,000

PL- 3 - Re-authorize Governor's Residence OTO Appropriation -

The base operating budget for the residence in FY 2004 was not reflective of an adequate budget for a Governor who is a full-time resident. General fund expenditures from the legislatively authorized one-time-only appropriation were \$25,000 in FY 2006 and therefore should be continued in each year of the next biennium as a part of the base-level budget.

Governors Office-3101

Air Transportation Program-03

Program Description - The Air Transportation Program provides the Governor with air transportation.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	89,567	9,386	0	98,953	9,797	0	99,364
Operating Expenses	197,716	(797)	0	196,919	(723)	0	196,993
Transfers	0	429,000	0	429,000	0	0	0
Total Costs	\$287,283	\$437,589	\$0	\$724,872	\$9,074	\$0	\$296,357
General Fund	280,572	437,500	0	718,072	8,985	0	289,557
State/Other Special	6,711	89	0	6,800	89	0	6,800
Total Funds	\$287,283	\$437,589	\$0	\$724,872	\$9,074	\$0	\$296,357

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$429,000	\$429,000
FY 2009	\$0	\$0

PL- 9 - Aircraft Engine Overhaul Contingency OTO -

The Air Transportation Program participates in the "MORE" program for the state plane, which authorizes the operation of the engines up to 8,000 hours without overhaul and requires strict maintenance, inspections, and testing criteria for participation. The state plane currently has approximately 6,000 hours and is typically operated between 250 and 300 hours per year. This request is for a one-time-only general fund transfer to a state special revenue fund of \$429,000 in FY 2008 and would be used only in the event the engines failed the required tests and inspections and an overhaul becomes necessary.

Language Recommendations - "There is appropriated to Air Transportation Program up to \$429,000 state special revenue. The appropriation is contingent upon the determination, as mandated by the "MORE" program, that an engine overhaul becomes necessary before the aircraft can fly again. The state special revenue funds may be used only to conduct the engine overhaul."

Governors Office-3101

Office Budget & Program Planning-04

Program Description - The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the Executive Branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead Executive Branch agency for compliance with the federal Single Audit Act.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.00	0.00	0.40	19.40	0.00	0.40	19.40
Personal Services	1,138,869	208,469	9,682	1,357,020	213,133	9,686	1,361,688
Operating Expenses	171,853	21,810	0	193,663	22,748	0	194,601
Total Costs	\$1,310,722	\$230,279	\$9,682	\$1,550,683	\$235,881	\$9,686	\$1,556,289
General Fund	1,310,722	230,279	9,682	1,550,683	235,881	9,686	1,556,289
Total Funds	\$1,310,722	\$230,279	\$9,682	\$1,550,683	\$235,881	\$9,686	\$1,556,289

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$12,500	\$12,500

PL- 1 - OBPP Session Costs -

This request is for the cyclical costs of printing the budget book and other session-year costs which are not captured in the base year budget.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,682	\$9,682
FY 2009	\$9,686	\$9,686

NP- 8 - Student Intern OBPP -

The Budget Office requests funding and FTE for student interns for summer work experience or legislative session work experience which would benefit both the office and the student.

Governors Office-3101

Coordinator Of Indian Affairs-05

Program Description - The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the Legislative and Executive Branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	118,228	16,227	0	134,455	16,288	0	134,516
Operating Expenses	16,202	1,355	0	17,557	1,816	0	18,018
Total Costs	\$134,430	\$17,582	\$0	\$152,012	\$18,104	\$0	\$152,534
General Fund	134,430	17,582	0	152,012	18,104	0	152,534
Total Funds	\$134,430	\$17,582	\$0	\$152,012	\$18,104	\$0	\$152,534

Governors Office-3101 Centralized Services Division-06

Program Description - The Centralized Services Program provides business services to all programs within the Governor's Office. Services include: payroll and personnel, accounting, central asset management and computer replacement, data processing, and budget preparation and monitoring for the entire office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	3.00	0.00	1.00	4.00	0.00	1.00	4.00
Personal Services	164,527	17,810	62,732	245,069	18,392	62,754	245,673
Operating Expenses	55,778	53,558	7,500	116,836	37,733	7,500	101,011
Total Costs	\$220,305	\$71,368	\$70,232	\$361,905	\$56,125	\$70,254	\$346,684
General Fund	220,305	71,368	70,232	361,905	56,125	70,254	346,684
Total Funds	\$220,305	\$71,368	\$70,232	\$361,905	\$56,125	\$70,254	\$346,684

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$17,100	\$17,100
FY 2009	\$35,800	\$35,800

PL- 2 - Computer Replacement -

This request for \$17,100 in FY 2008 and \$35,800 in FY 2009 general fund is for computer replacement in all programs of the Governor's Office in accordance with the state standard four year replacement cycle.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$70,232	\$70,232
FY 2009	\$70,254	\$70,254

NP- 4 - Additional IT Support for Governor's Office -

The Governor's Office has insufficient IT support for its operations in its current level budget. This request would add 1.00 FTE programmer/analyst position and approximately \$70,000 general fund each year to provide support to the office for multiple needs that are not being addressed, including: Web design, database design and maintenance for the Budget Office, support with templates for fiscal notes, bill status and financial impact tracking, and several other areas.

Governors Office-3101

Lieutenant Governor's Office-12

Program Description - The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	3.94	0.00	0.00	3.94	0.00	0.00	3.94
Personal Services	244,018	30,084	0	274,102	30,287	0	274,305
Operating Expenses	43,310	4,902	0	48,212	6,197	0	49,507
Total Costs	\$287,328	\$34,986	\$0	\$322,314	\$36,484	\$0	\$323,812
General Fund	287,328	34,986	0	322,314	36,484	0	323,812
Total Funds	\$287,328	\$34,986	\$0	\$322,314	\$36,484	\$0	\$323,812

Governors Office-3101 Citizens' Advocate Office-16

Program Description - The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	80,094	(3,267)	0	76,827	(3,229)	0	76,865
Operating Expenses	12,593	255	0	12,848	386	0	12,979
Total Costs	\$92,687	(\$3,012)	\$0	\$89,675	(\$2,843)	\$0	\$89,844
General Fund	72,229	(3,554)	0	68,675	(3,385)	0	68,844
State/Other Special	0	21,000	0	21,000	21,000	0	21,000
Federal Special	20,458	(20,458)	0	0	(20,458)	0	0
Total Funds	\$92,687	(\$3,012)	\$0	\$89,675	(\$2,843)	\$0	\$89,844

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 9 - Funding Switch from Federal to State Special Revenue-

In accordance with a Legislative Audit recommendation, activities performed by the Citizen's Advocate on behalf of the Department of Public Health & Human Services should be recorded in a state special revenue fund rather than a federal special revenue fund. This request implements the audit recommendation by changing \$21,000 annually from federal special to state special revenue.

Governors Office-3101

Mental Disabilities Bd Visitrs-20

Program Description - The Mental Disabilities Board of Visitors is charged with reviewing patient care at Montana's community mental health centers, and at the institutions for the mentally ill and the developmentally disabled. The board provides legal services for the residents at those institutions. The Governor appoints five board members who may be (but are not required to be) consumers, doctors of medicine, or behavioral scientists. The board employs administrative and legal staff and contracts with medical professionals to carry out its responsibilities for patient representation and facility review. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975 and exists as a state mandate.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	244,034	36,105	0	280,139	37,056	0	281,090
Operating Expenses	70,457	1,869	0	72,326	2,541	0	72,998
Total Costs	\$314,491	\$37,974	\$0	\$352,465	\$39,597	\$0	\$354,088
General Fund	314,491	37,974	0	352,465	39,597	0	354,088
Total Funds	\$314,491	\$37,974	\$0	\$352,465	\$39,597	\$0	\$354,088

Secretary Of States Office-3201 Business & Government Services-01

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - The Secretary of State's Office is committed to better positioning Montana for the future by embracing innovative ideas and technology to:

- Foster greater public confidence and participation in the electoral process
- Promote business activities by providing prompt and accurate service
- Act as the steward of state government records by educating agencies on the management and preservation of public documents
- Enhance the security of business transactions through the notary process
- Facilitate public participation in governmental rulemaking
- Provide easier access to information

Statutory Authority - Article VI, Section 1, Montana Constitution; 2-4-311-312, 2-6-203, and 2-15-401, MCA.

Program Description - The Secretary of State has one program with four divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	1,040,000	1,040,000	0	0	0
Total Costs	\$0	\$0	\$1,040,000	\$1,040,000	\$0	\$0	\$0
Federal Special	0	0	1,040,000	1,040,000	0	0	0
Total Funds	\$0	\$0	\$1,040,000	\$1,040,000	\$0	\$0	\$0

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,040,000	\$0
FY 2009	\$0	\$0

NP- 4 - Help America Vote Act-Biennial -

This request is for \$1,040,000 of federal authority for interest earned from the Help America Vote Act money. This is a biennial appropriation.

Commissioner Of Political Prac-3202 Administration-01

Mission Statement - To monitor and to enforce, in a fair and impartial manner, campaign practices and campaign finance disclosure, lobbying disclosure, business interest disclosure of statewide and state district candidates, elected state officials and state department directors; ethical standards of conduct for legislators, public officers and state employees; and to investigate legitimate complaints that arise concerning any of the above.

Statutory Authority - Title 13, Chapter 37 and Title 2, Chapter 2, MCA.

Program Description - The Commissioner of Political Practices is provided for in 13-37-102, MCA, which was enacted in 1975 as part of a campaign finance and practice law reform package, with duties and responsibilities set forth in Title 13, Chapter 37, part 1, MCA. Additional responsibilities for the office were created through passage of an initiative in 1980 which provided for both lobbying disclosure and disclosure of business interests of elected officials. In 1995 the Legislature enacted the code of ethics and assigned to the Commissioner the responsibility for administering ethical standards of conduct for legislators, public officers and state employees.

Program Indicators -

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Lobbyists registered	914	800	800	800	600	600
Committees registered (all types)	643	800	600	600	600	600
Candidates registered (State, State District, and Local)	1320	1800	1400	1800	1400	1800
Official complaints filed	8	15	10	15	10	15

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	195,535	45,988	0	241,523	46,784	0	242,319
Operating Expenses	102,896	4,089	139,338	246,323	(1,804)	62,575	163,667
Total Costs	\$298,431	\$50,077	\$139,338	\$487,846	\$44,980	\$62,575	\$405,986
General Fund	298,431	50,077	139,338	487,846	44,980	62,575	405,986
Total Funds	\$298,431	\$50,077	\$139,338	\$487,846	\$44,980	\$62,575	\$405,986

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$123,338	\$123,338
FY 2009	\$46,575	\$46,575

NP- 1 - Campaign Filing, Lobbyist/Principal Systems OTO -

The Executive recommends implementation of a web-based candidate and lobbyist filing system designed to provide registration, access, and reporting via the Internet for candidate and lobbyist activities and public inquiry. Costs to the general fund for assessment, design, and project management are \$123,338 in FY 2008 and \$46,575 in FY 2009.

**Commissioner Of Political Prac-3202
Administration-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$16,000	\$16,000
FY 2009	\$16,000	\$16,000

NP- 2 - Auditing of campaign finance and lobbying reports -

This request is for \$16,000 general fund each year of the biennium for contracted services to conduct random audits of campaign finance and lobbying reports filed with the Commissioner of Political Practices Office.

State Auditors Office-3401

Mission Statement - The State Auditor is the Commissioner of Insurance and the Commissioner of Securities. The auditor also serves as a member of the Board of Land Commissioners and the Crop Hail Insurance Board. The auditor is charged with licensing, registering, and regulating insurance companies and producers, securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representative within the state.

Statutory Authority - Title 30, Chapter 10, MCA, Securities Regulation, and Title 33, MCA, Insurance.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	76.50	1.00	0.00	77.50	1.00	0.00	77.50
Personal Services	3,422,314	595,933	0	4,018,247	608,353	0	4,030,667
Operating Expenses	2,659,003	2,637,833	0	5,296,836	2,627,736	0	5,286,739
Grants	573,215	0	250,958	824,173	0	352,399	925,614
Benefits & Claims	472,478	5,148,534	1,000,000	6,621,012	5,151,722	1,000,000	6,624,200
Total Costs	\$7,127,010	\$8,382,300	\$1,250,958	\$16,760,268	\$8,387,811	\$1,352,399	\$16,867,220
State/Other Special	7,127,010	8,382,300	1,250,958	16,760,268	8,387,811	1,352,399	16,867,220
Proprietary	0	0	0	0	0	0	0
Total Funds	\$7,127,010	\$8,382,300	\$1,250,958	\$16,760,268	\$8,387,811	\$1,352,399	\$16,867,220

State Auditors Office-3401 Central Management-01

Program Description - The Central Management Division is responsible for the administrative, personnel, budgeting, and accounting functions for the State Auditor's Office. The division also provides support to the auditor in fulfilling the duties as a member of the state land and hail insurance boards.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00
Personal Services	445,440	107,787	0	553,227	109,541	0	554,981
Operating Expenses	79,957	10,192	0	90,149	5,218	0	85,175
Total Costs	\$525,397	\$117,979	\$0	\$643,376	\$114,759	\$0	\$640,156
State/Other Special	525,397	117,979	0	643,376	114,759	0	640,156
Total Funds	\$525,397	\$117,979	\$0	\$643,376	\$114,759	\$0	\$640,156

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,069	\$0
FY 2009	\$1,619	\$0

PL- 1 - Annual Rent Increase -

The budget includes \$1,069 in FY 2008 and \$1,619 in FY 2009 of state special revenue to fund a scheduled two percent rent increase based on a contract negotiated by Department of Administration.

State Auditors Office-3401 Insurance-03

Program Description - The Insurance Division regulates the insurance industry in Montana. The Policyholder Services Bureau is responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies. The Examinations Bureau is responsible for monitoring the financial solvency of insurance companies, collecting premium taxes and company fees, and auditing insurance company annual statements. The Rates and Forms Bureau is responsible for reviewing form filings and rate filings to ensure compliance with the applicable insurance code. The Licensing Bureau is responsible for licensing and providing continuing education to insurance agents, agencies, and adjusters. The Investigations Bureau investigates insurance code and rule violations, including possible criminal violations, and refers cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	53.50	1.00	0.00	54.50	1.00	0.00	54.50
Personal Services	2,455,413	381,666	0	2,837,079	390,981	0	2,846,394
Operating Expenses	2,466,305	2,555,627	0	5,021,932	2,554,991	0	5,021,296
Grants	573,215	0	250,958	824,173	0	352,399	925,614
Benefits & Claims	472,478	5,148,534	1,000,000	6,621,012	5,151,722	1,000,000	6,624,200
Total Costs	\$5,967,411	\$8,085,827	\$1,250,958	\$15,304,196	\$8,097,694	\$1,352,399	\$15,417,504
State/Other Special	5,967,411	8,085,827	1,250,958	15,304,196	8,097,694	1,352,399	15,417,504
Proprietary	0	0	0	0	0	0	0
Total Funds	\$5,967,411	\$8,085,827	\$1,250,958	\$15,304,196	\$8,097,694	\$1,352,399	\$15,417,504

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,175	\$0
FY 2009	\$9,355	\$0

PL- 1 - Annual Rent Increase -

Included in this budget is \$ 6,175 in FY 2008 and \$9,355 in FY 2009 of state special revenue to fund a scheduled two percent rent increase based on a contract negotiated by the Department of Administration.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$54,462	\$0
FY 2009	\$51,098	\$0

PL- 2 - Insure Montana FTE -

This budget request is for 1.00 FTE in the program to assist employers with the Insure Montana application process and to supplement other staff in the program with overall operational duties. Funding in FY 2008 is \$54,462 and FY 2009 is \$51,098 of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,852	\$0
FY 2009	\$9,028	\$0

PL- 3 - Additional Office Space -

This budget request is for additional office space for the Insure Montana Program. Requested in FY 2008 is \$8,852 and in FY 2009 \$9,028 of state special revenue to cover rent expenses.

State Auditors Office-3401

Insurance-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$42,844	\$0
FY 2009	\$39,525	\$0

PL- 4 - Licensing FTE -

The budget includes a request for 1.00 FTE to scan archived records and current records into a database for four bureaus in the Insurance Department. The request is for \$82,369 state special revenue for the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,433,218	\$0
FY 2009	\$7,436,406	\$0

PL- 5 - Insure Montana Annualization -

The Executive recommends \$7,433,219 in FY 2008 and \$7,436,406 in FY 2009 of state special revenue (HB 667, I-149 revenue) to bring the funding of this program to the Fiscal Year 2007 appropriated funding level.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$212,336	\$0
FY 2009	\$234,671	\$0

PL- 6 - Contract Examinations (RST) -

The Executive recommends an increase of \$212,336 in FY 2008 and \$234,671 in FY 2009 of state special revenue which will establish the restricted appropriation for Contract Exams. The budget is based on the examination schedule for the biennium. Insurance companies will reimburse the office for the examination expenses.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,958	\$0
FY 2009	\$352,399	\$0

NP- 101 - MCHA Additional Funding -

The Executive recommends additional funding for the Montana Comprehensive Health Association (MCHA) of \$250,958 in FY 2008 and \$352,399 in FY 2009 in state special revenue. MCHA provides health insurance to low-income Montanans deemed uninsurable due to medical conditions. This funding is derived from the state tobacco settlement payment distribution (I-146).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$0
FY 2009	\$1,000,000	\$0

NP- 102 - Insure Montana Additional Funding -

The Executive proposes to increase funding for the Insure Montana program (HB 667 passed by the 2005 Legislature) by \$1,000,000 state special revenue in each year of the biennium. In accordance with 33-22-2008(2), MCA, the funding is split 60% for premium assistance and 40% for tax credits. Funding for this program comes from the I-149 tobacco tax.

Language Recommendations - "If the Department of Public Health and Human Services is successful in obtaining a Medicaid 1115 waiver for a premium incentive or premium assistance program, the State Auditor's Office shall confirm and agree with the Department of Public Health and Human Services an adequate amount of state special revenue to be transferred to the Department of Public Health and Human Services with the intent the transfer is to maximize the state special revenue that can be used to match federal Medicaid funds."

State Auditors Office-3401

Securities-04

Program Description - The Securities Division is responsible for the administration and enforcement of the Securities Act of Montana and, in particular, for the registration of securities issuers, salespeople, broker-dealers, investment advisers, and investment adviser representatives. The division also is responsible for the investigation of unregistered and fraudulent securities transactions. The division has sole jurisdiction for investment advisor firms with assets of under \$25 million. The Investigations Bureau investigates securities code and rule violations, including possible criminal violations, and refers cases to county attorneys for prosecution.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	13.00	0.00	0.00	13.00	0.00	0.00	13.00
Personal Services	521,461	106,480	0	627,941	107,831	0	629,292
Operating Expenses	112,741	72,014	0	184,755	67,527	0	180,268
Total Costs	\$634,202	\$178,494	\$0	\$812,696	\$175,358	\$0	\$809,560
State/Other Special	634,202	178,494	0	812,696	175,358	0	809,560
Total Funds	\$634,202	\$178,494	\$0	\$812,696	\$175,358	\$0	\$809,560

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,425	\$0
FY 2009	\$2,159	\$0

PL- 1 - Annual Rent Increase -

The budget includes an increase of \$1,425 in FY 2008 and \$2,159 in FY 2009 of state special revenue to fund a scheduled two percent rent increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$63,193	\$0
FY 2009	\$63,693	\$0

PL- 2 - Contract Examinations -

The Executive recommends the budget increase of \$63,193 in FY 2008 and \$63,693 in FY 2009 of state special revenue which establishes the restricted appropriation for Contract Exams. The budget is based on the examination schedule for the biennium. Costs of the examinations are offset by reimbursements from security firms.

Department Of Transportation-5401

Mission Statement - To serve the public by providing a transportation system and services that emphasize quality, safety, cost effectiveness, economic vitality and sensitivity to the environment.

Statutory Authority - Title 2, Chapter 15, part 25; and Titles 23 and 60, MCA; USC 134 and 135; Title 23, Chapter 1, CFR.

Language - The following language is recommended for HB 2:

"The department may adjust appropriations in the general operations, construction, maintenance, and transportation planning programs between state special revenue and federal special revenue funds if the total state special revenue appropriation for these programs is not increased by more than 10% of the total appropriations established by the legislature for each program."

"All federal special revenue appropriations in the department are biennial."

"All appropriations in the general operations, construction, maintenance, and transportation planning programs are biennial."

All remaining federal pass-through grant appropriations for highway traffic safety, including reversions, for the 2007 biennium are authorized to continue and are appropriated in fiscal year 2008 and fiscal year 2009."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2,238.56	(59.22)	7.00	2,186.34	(109.60)	7.00	2,135.96
Personal Services	113,361,139	16,643,422	368,194	130,372,755	14,582,187	368,599	128,311,925
Operating Expenses	335,018,576	28,706,471	1,293,638	365,018,685	30,458,351	2,285,498	367,762,425
Equipment	1,705,344	(221,804)	0	1,483,540	(56,804)	0	1,648,540
Capital Outlay	14,298,598	101,500	0	14,400,098	100,000	0	14,398,598
Local Assistance	382,400	0	0	382,400	0	0	382,400
Grants	10,418,174	1,788,664	7,051,169	19,258,007	480,664	7,771,805	18,670,643
Transfers	10,283	0	0	10,283	0	0	10,283
Debt Service	250	23,000	0	23,250	23,000	0	23,250
Total Costs	\$475,194,764	\$47,041,253	\$8,713,001	\$530,949,018	\$45,587,398	\$10,425,902	\$531,208,064
State/Other Special	233,537,178	(8,161,955)	1,791,866	227,167,089	(14,511,159)	1,942,083	220,968,102
Federal Special	241,657,586	55,203,208	6,921,135	303,781,929	60,098,557	8,483,819	310,239,962
Proprietary	0	0	0	0	0	0	0
Total Funds	\$475,194,764	\$47,041,253	\$8,713,001	\$530,949,018	\$45,587,398	\$10,425,902	\$531,208,064

Department Of Transportation-5401 General Operations Program-01

Program Description - The General Operations Program provides overall policy direction and management to the agency as well as administers motor fuel taxes and provides administrative support services for the department, including general administration and management; accounting and budgeting; public affairs; information technology services; human resources activities; compliance review; and goods and services procurement. The General Operations Program is authorized by 2-15-2501(3), MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	181.77	6.00	0.00	187.77	6.00	0.00	187.77
Personal Services	8,978,523	2,559,810	0	11,538,333	2,594,669	0	11,573,192
Operating Expenses	10,958,742	750,844	0	11,709,586	1,103,963	0	12,062,705
Equipment	394,152	(284,152)	0	110,000	(79,152)	0	315,000
Grants	75,000	0	0	75,000	0	0	75,000
Debt Service	250	0	0	250	0	0	250
Total Costs	\$20,406,667	\$3,026,502	\$0	\$23,433,169	\$3,619,480	\$0	\$24,026,147
State/Other Special	19,516,004	2,506,436	0	22,022,440	3,099,377	0	22,615,381
Federal Special	890,663	520,066	0	1,410,729	520,103	0	1,410,766
Total Funds	\$20,406,667	\$3,026,502	\$0	\$23,433,169	\$3,619,480	\$0	\$24,026,147

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,544	\$0
FY 2009	\$56,544	\$0

PL- 1101 - Overtime/Differential -

The Executive Budget includes \$56,544 highway state special revenue each year of the biennium to re-establish base year overtime and differential pay with associated benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,865	\$0
FY 2009	\$10,025	\$0

PL- 1102 - Equipment Rental -

The rate schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The adjustment for the General Operations Program is for \$21,890 in highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$540,238	\$0
FY 2009	\$540,238	\$0

PL- 1302 - Training Program -

The new transportation bill provides 100% reimbursement of training expenditures and does not restrict the level of investment. In order to take advantage of this increased flexibility in training, the department requests to consolidate base training amounts and to increase the spending level. This request is for \$1,080,476 of federal special revenue for the biennium, and is related to decision packages in the Construction, Motor Carrier Services, and Transportation Planning Divisions calling for reductions in training.

Department Of Transportation-5401

General Operations Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$51,000	\$0
FY 2009	\$0	\$0

PL- 1401 - Software Upgrade -

The department is requesting the investment of \$51,000 of highway state special revenue to enhance the Personal Services Budget Monitoring (PSBM) system to capture actual expenditures from SABHRS rather than from a payroll system internal to the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000	\$0
FY 2009	\$5,000	\$0

PL- 1403 - Reorganization Implementation -

The recent reorganization of the Administration Division established a new Chief Accountant position, whose duties will include technical oversight of the District Financial Officers. This request is for \$10,000 of highway state special revenue for the biennium for travel costs associated with this oversight.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$0
FY 2009	\$10,000	\$0

PL- 1407 - Motor Fuels System Enhancements -

The Distributor Processing System, the computer software used to collect, track, and report on motor fuel taxes received from distributors, is in need of several additional reports and enhancements. Also, the dyed fuel system requires several updates. This request is for \$25,000 in highway federal special revenue for the biennium to address these needs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$234,449	\$0
FY 2009	\$256,151	\$0

PL- 1502 - ACS Contract - Restricted -

The Executive Budget includes \$234,449 state special revenue in FY 2008 and \$256,151 state special revenue in FY 2009 for maintenance and improvements to various permitting, registration, and licensing systems in the Motor Carrier Services Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$500,000)	\$0
FY 2009	(\$500,000)	\$0

PL- 1503 - Convert Modified FTE to Permanent -

This request asks for 6.00 FTE to replace contracted programmers used on a variety of IT projects and systems in the department. This will require \$433,600 per year in Highway State Special Revenue, but will result in a cost savings in contracted services. The net effect is a reduction of \$1,000,000 in highway state special revenue for the biennium.

Department Of Transportation-5401 General Operations Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$173,003)	\$0
FY 2009	(\$173,003)	\$0

PL- 1508 - IT Cost Reductions -

The budget includes a reduction of \$346,006 state special revenue for the biennium. The reduction is due to a decreased dependence on the mainframe computer as well as the Department of Administration providing certain IT connectivity in it's rate structure that was formerly paid for directly by the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$79,789)	\$0
FY 2009	\$540,911	\$0

PL- 1509 - IT Equipment Replacement -

In the second year of the biennium, the department's Information Services Division anticipates a need to begin replacing some of it's more expensive video equipment, as well as replacing more desktop units than were replaced in the base year. This request is for \$461,122 of highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$97,220)	\$0
FY 2009	(\$107,220)	\$0

PL- 1510 - Software Cost Reduction -

Base year expenditures included a major software rollout that will not be repeated in the coming biennium. In addition, some software costs that have historically been paid directly by the agency are now being included in the desktop rate charged by the Department of Administration. This request is for a net reduction of \$204,440 in highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$18,760)	\$0
FY 2009	(\$18,760)	\$0

PL- 1511 - Print Shop Reduction -

The department's print shop has recently consolidated some of its major equipment, resulting in a cost savings. This request is for a net reduction of \$37,520 in highway state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$155,642	\$0
FY 2009	\$163,940	\$0

PL- 1512 - IT Maintenance Costs -

New equipment and applications are continually being implemented throughout the department. Once online, these tools require maintenance in one form or another. Since many of these items were not online for the full year, the total cost to maintain them is not included in the base. This request is for \$319,582 in highway state special revenue for the biennium to annualize and cover the cost of these maintenance agreements.

Department Of Transportation-5401 Construction Program-02

Program Description - The Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction. Program responsibilities include such tasks as design, accessing environmental issues, writing documents, obtaining permits, right-of-way acquisitions, issuing contract bids, awarding contracts, and administering construction contracts. Contract administration is the documentation, inspection, and testing of highway construction materials from the time the contract is awarded to a private contractor until the project is completed and the work is approved. The program also provides traffic improvement and educational programs to promote public safety, health, and welfare. The Construction Program is mandated by 2-15-2501(1), MCA; Title 60, MCA; and 23 USC 116.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Percentage of all projects with a certificate of completion within 180 days of finishing the construction	N/A	N/A	N/A	N/A	75.0%	75.0%
85% of projects planned for the fiscal year are ready for contract	98.1%	67.0%	77.9%	85.0%	85.0%	85.0%
Maintain statewide average construction engineering costs under 10% of total contract costs	9.0%	9.4%	9.4%	8.5%	10.0%	10.0%
Maintain statewide final costs under 7% above award amount	3.3%	7.3%	3.9%	3.0%	7.0%	7.0%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	1,105.52	(71.72)	1.00	1,034.80	(122.10)	1.00	984.42
Personal Services	57,034,086	7,117,641	58,769	64,210,496	4,610,721	58,839	61,703,646
Operating Expenses	260,631,173	22,385,859	440,944	283,457,976	26,353,250	440,944	287,425,367
Equipment	1,027,634	0	0	1,027,634	0	0	1,027,634
Capital Outlay	14,294,241	0	0	14,294,241	0	0	14,294,241
Local Assistance	382,400	0	0	382,400	0	0	382,400
Grants	4,917,935	0	500,000	5,417,935	0	500,000	5,417,935
Total Costs	\$338,287,469	\$29,503,500	\$999,713	\$368,790,682	\$30,963,971	\$999,783	\$370,251,223
State/Other Special	113,075,193	(22,441,868)	208,040	90,841,365	(27,951,220)	208,055	85,332,028
Federal Special	225,212,276	51,945,368	791,673	277,949,317	58,915,191	791,728	284,919,195
Total Funds	\$338,287,469	\$29,503,500	\$999,713	\$368,790,682	\$30,963,971	\$999,783	\$370,251,223

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$32,867,832	\$0
FY 2009	\$37,867,832	\$0

PL- 201 - Contractor Payments/Federal Aid Construction Prog -

The contractor payment request is computed by using the last balanced Tentative Construction Plan, which indicates when various projects will be let and the type of work to be completed. This data is entered into the Project Cost Scheduling (PCS) system, which uses information such as let dates, type of work, and other criteria to estimate when and at what level payments will be made for future years. The biennial request is for \$9,448,128 in highway state special revenue and \$61,287,536 in federal special revenue for a total of \$70,735,664.

Department Of Transportation-5401 Construction Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$11,267,261)	\$0
FY 2009	(\$11,267,261)	\$0

PL- 202 - Contractor Payments/State Construction Program -

The Executive recommends a reduction in budget authority of \$11,267,261 in each fiscal year to adjust for the maintenance of effort level in the state funded construction program and account for the new way in which the department accounts for it's indirect costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$3,097,093)	\$0
FY 2009	(\$6,444,103)	\$0

PL- 203 - Construction Management FTE Adjustments -

This request is a reduction for Construction Management FTE of 78.72 FTE in FY 2008 and 129.10 in FY 2009. The reduction is projected based upon the Tentative Construction Plan (TCP) for the 2009 biennium. In addition, this request includes an increase of 7.00 FTE in each year as a result the of the new SAFETEA-LU requirements. The overall reduction will be 71.72 FTE in FY 2008 and 122.10 FTE in FY 2009. The department requests a reduction of \$4,173,256 in highway state special revenue and a reduction of \$5,367,940 in federal special revenue for the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,308,782	\$0
FY 2009	\$4,308,782	\$0

PL- 208 - Overtime/Differential -

The Executive Budget includes \$4,308,782 highway state special and federal special revenue each year of the biennium to re-establish base year overtime and differential pay with associated benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$627,045	\$0
FY 2009	\$502,969	\$0

PL- 209 - Equipment Rental -

The user provider schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The adjustment for the Construction Program is for highway state special revenue of \$204,219 and \$925,795 of federal special revenue for a total biennial request of \$1,130,014.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$481,817)	\$0
FY 2009	(\$831,817)	\$0

PL- 210 - Program Reductions -

The Program Reductions decision package includes items that were a one-time-only expense in the base year. These expenditures consists of hook-up costs for the poly com system, remodels, snooper truck rentals, and various other items. The reduction is \$233,474 state special revenue and \$1,080,160 federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$251,879)	\$0
FY 2009	(\$251,879)	\$0

PL- 211 - Training Reductions -

The Training Reductions decision package will reduce training expenditures in the Construction program in order for training to be funded with 100% federal dollars in the General Services Program. This biennial reduction for highway state special revenue is \$503,758.

**Department Of Transportation-5401
Construction Program-02**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$999,713	\$0
FY 2009	\$999,783	\$0

NP- 207 - Highway Traffic Safety Section-408 - OTO -

Provisions of SAFETEA-LU make funding available for critically needed highway traffic safety data collection and systems improvements. The Highway Traffic Safety Office qualifies for this funding beginning in 2006 and ending in 2009. This request is to bring in a consultant to design a workflow that would allow the department to be linked to other departments and systems. This will provide better identification of safety problems, trends in crash patterns, components of highway infrastructure that produce unsafe conditions, and other significant safety concerns. The biennial request in highway state special revenue is \$416,095 and \$1,583,401 in federal special revenue for a total request of \$1,999,496.

Department Of Transportation-5401 Maintenance Program-03

Program Description - The Maintenance Program is responsible for the repair, maintenance and preservation of approximately 25,000 lane miles of roadways. Activities include but are not limited to: winter maintenance, reactive and preventive pavement preservation, pavement marking, signing, roadway striping, noxious weed control, traveler information, quality control, and any other necessary roadway and roadside repairs and maintenance. The Maintenance Program is authorized by 2-15-2501(1), MCA; Title 60, MCA, and 23 USC 116.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Miles of road plowed during Winter Maintenance	3,219,508	2,339,000	2,737,504	2,700,000	2,700,000	2,700,000
Square yards of chip seal on Montana highways	3,358,928	3,478,000	2,334,724	2,250,000	2,000,000	2,000,000
Miles of 4" stripes applied to Montana highways	18,875	11,932	12,476	12,000	12,000	12,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	760.17	6.50	0.00	766.67	6.50	0.00	766.67
Personal Services	38,986,900	5,148,458	0	44,135,358	5,524,328	0	44,511,228
Operating Expenses	61,180,268	1,586,833	183,894	62,950,995	1,004,260	189,764	62,374,292
Equipment	252,673	40,000	0	292,673	0	0	252,673
Capital Outlay	4,357	101,500	0	105,857	100,000	0	104,357
Total Costs	\$100,424,198	\$6,876,791	\$183,894	\$107,484,883	\$6,628,588	\$189,764	\$107,242,550
State/Other Special	93,411,584	6,546,567	183,894	100,142,045	6,298,364	189,764	99,899,712
Federal Special	7,012,614	330,224	0	7,342,838	330,224	0	7,342,838
Total Funds	\$100,424,198	\$6,876,791	\$183,894	\$107,484,883	\$6,628,588	\$189,764	\$107,242,550

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$618,280	\$0
FY 2009	\$608,072	\$0

PL- 301 - Additional Secondary Roads -

SB 333, passed by the 1999 Legislature, made the Department of Transportation responsible for the maintenance of eligible paved secondary roads as of January 1, 2001. Each year, many secondary roads are upgraded from gravel roads to paved roads. As roads meet eligibility requirements and are approved for funding by the Legislature, they become the responsibility of MDT to maintain. Over 92 lane miles of additional secondary roads are projected to become eligible in the 2009 biennium. This request includes 6.50 FTE to meet the routine maintenance levels for these additional lane miles. The biennial adjustment is \$1,226,352 of highway state special revenue

Department Of Transportation-5401 Maintenance Program-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$127,710	\$0
FY 2009	\$127,710	\$0

PL- 305 - Communications Replacements -

The Executive Budget includes \$255,420 state special revenue for the biennium to continue with the department's upgrade and replacement cycle of radio equipment. Radio equipment owned by the department is 8 - 20 years old and does not comply with interoperability requirements and is no longer supported by the manufacturer. Replacement equipment will meet all state requirements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$69,803	\$0
FY 2009	\$69,803	\$0

PL- 307 - Contracted Maintenance -

The contracts have proven to be beneficial for both parties and the cities have requested an increase in funding to cover increased operational and labor costs. In addition, NorthWestern Energy contracts to replace and perform routine maintenance on street luminary lighting. There are currently 4,810 lights under contract located in Butte, Bozeman, Missoula, Billings, and Great Falls. The biennial adjustment is \$139,606 highway state special revenue. The Department of Transportation has contracted with the cities of Billings and Missoula to perform maintenance on DOT roadways within the city limits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$0
FY 2009	\$100,000	\$0

PL- 308 - Land Purchases -

The budget includes \$200,000 state special revenue for the biennium to purchase land for stockpile sites and facility sites statewide in the Long Range Building Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,054,453	\$0
FY 2009	\$2,054,453	\$0

PL- 313 - Overtime/Differential -

The Executive Budget includes \$4,108,906 highway state special revenue each year of the biennium to re-establish base year overtime and differential pay with associated benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,329,455	\$0
FY 2009	\$2,670,635	\$0

PL- 314 - Equipment Rental -

The user provider schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial adjustment for the Maintenance Program is \$6,000,090 of highway state special revenue.

Department Of Transportation-5401 Maintenance Program-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,112,507	\$0
FY 2009	\$1,112,507	\$0

PL- 315 - Pavement Markings -

Pavement markings are painted centerlines, edge lines, crosswalks, and special messages that are applied by contractors or MDT Maintenance Sections. The program under spent the base pavement markings budget of \$7 million annually due to weather delays and problems with product delivery. The biennial adjustment is \$493,944 highway state special revenue and \$1,731,070 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$77,328	\$0
FY 2009	\$77,328	\$0

PL- 316 - RWIS System Maintenance -

The MDT Roadway Weather Information System (RWIS) consists of a variety of weather monitoring equipment, including web cameras, located throughout Montana on state maintained highways. This system is integral to a number of functions within the department. The department request \$154,656 state special revenue for the biennium to maintain and upgrade existing equipment as well as purchase additional equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$236,015	\$0
FY 2009	\$236,015	\$0

PL- 317 - Noxious Weed Control -

The Maintenance Program under spent the base noxious weed control budget due to weather delays. Counties could not complete weed spraying due to rainy weather. This biennial adjustment is \$472,030 highway state special revenue will restore the historical level of weed control funding to \$1.3 million annually.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$52,328	\$0
FY 2009	\$52,328	\$0

PL- 318 - Travelers Information Program -

The department's 511 Travelers Information Program has become increasingly popular with the public. The program is gaining importance for the safety of those who travel the state's highways. The program is requesting funds to maintain the 511 programs information delivery level and for the anticipated levels of future information delivery. Calls for information continue to increase and the program will bring Glacier Park online in the next biennium. The biennial adjustment is \$104,656 federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$4,000,000)	\$0
FY 2009	(\$4,000,000)	\$0

PL- 319 - State Special Revenue Funding Reduction -

In order to bring the base budget back into alignment with projected needs, the budget for the Maintenance Division has been reduced by \$4,000,000. This decrease does not represent a reduction in services.

Department Of Transportation-5401 Maintenance Program-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$45,692	\$0
FY 2009	\$45,692	\$0

PL- 320 - Training -

To maintain job related training for the Maintenance Academy, the Maintenance Management Mentoring Program, and training on diagnostic equipment, the department requests a biennial adjustment of \$91,384 highway state special revenue. The program under spent the base contracted training budget due to scheduling conflicts with the training providers.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$183,894	\$0
FY 2009	\$189,764	\$0

NP- 306 - Facility Costs -

Leasing additional space near the MDT headquarters will ease current space issues and improve the working environment for MDT employees. Costs include rental, utilities, supplies and materials, and repair and maintenance costs. The contract contains a built-in escalation clause of 5% for each year. The biennial adjustment is \$373,658 highway state special revenue.

Department Of Transportation-5401 Motor Carrier Services Div.-22

Program Description - The Motor Carrier Services (MCS) Division administers Montana's commercial motor carrier size, weight, safety, registration, and dyed fuel enforcement programs. The Licensing & Permitting Bureau registers interstate commercial vehicles, issues oversize/overweight permits, and collects and distributes fees and taxes. The Enforcement Bureau enforces state and federal commercial motor carrier laws and regulations and operates Montana's statewide network of weigh stations and mobile enforcement officers. The Motor Carrier Safety Assistance Program (MCSAP) conducts commercial motor carrier Safety Compliance Reviews and Safety Audits. The Motor Carrier Services Program is mandated by Title 61, Chapter 9, MCA.

Program Indicators -

Indicator	Actual FY 2004	Actual FY 2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Contacts	144,778	145,642	149,722	**147,385	**148,052	**148,621
Trucks weighed*						
Platform & Portable	445,110	420,111	376,298	413,840	403,416	397,851
WIM *	172,132	202,073	276,902	331,553	348,131	365,537
Total Weights	617,242	622,184	653,200	745,393	751,547	763,388

*Trucks weighed: Trucks are weighed on platform scales, portable scales and electronic weigh-in-motion (WIM) scales.

* WIM Weights are collected at the following locations:

Culbertson Weigh Station beginning July 1998.

Lima Weigh Station beginning January 1999

Mossmain (Billings) Weigh Station beginning January 2000

Armington Junction Weigh Station beginning July 2001

Rocker (Butte) Weigh Station beginning February 2006

The State of Wyoming is anticipating that the Dietz Joint Port of Entry Weigh Station will become operational late in 2007. MCS program indicators will include Dietz information at that time.

**The MCSAP program was transferred to MDT October 1, 2005 with the first full State Fiscal Year (SFY) being 2007. The contacts information was modified in SFY 2007 to include compliance reviews, safety audits, and MCSAP safety inspections. SFY 2008 and 2009 have been increased to include those expectations.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	123.00	0.00	0.00	123.00	0.00	0.00	123.00
Personal Services	5,001,461	1,056,117	0	6,057,578	1,080,703	0	6,082,164
Operating Expenses	1,506,769	882,349	0	2,389,118	876,227	979,990	3,362,986
Equipment	0	22,348	0	22,348	22,348	0	22,348
Total Costs	\$6,508,230	\$1,960,814	\$0	\$8,469,044	\$1,979,278	\$979,990	\$9,467,498
State/Other Special	5,201,642	1,606,338	0	6,807,980	1,624,668	0	6,826,310
Federal Special	1,306,588	354,476	0	1,661,064	354,610	979,990	2,641,188
Total Funds	\$6,508,230	\$1,960,814	\$0	\$8,469,044	\$1,979,278	\$979,990	\$9,467,498

Department Of Transportation-5401

Motor Carrier Services Div.-22

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$191,166	\$0
FY 2009	\$191,166	\$0

PL- 2201 - MCSAP Grants -

The Motor Carrier Safety Assistance Program (MCSAP) was transferred from the Department of Justice to the Department of Transportation effective October 1, 2005. Additional federal special revenue authority in the amount of \$382,332 for the biennium is required to annualize the MCSAP program and cover the projected available federal funds for the program

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$550,750	\$0
FY 2009	\$550,750	\$0

PL- 2203 - Dietz Joint Port -

Montana and Wyoming have developed a "joint" port-of-entry weigh station facility located between Sheridan, Wyoming and the Montana border on Interstate 90. The new facility services north and southbound traffic. The facility is staffed with Wyoming officers who enforce Montana commercial vehicle laws on Montana's behalf. In return, Montana will pay one half of the salaries of the Wyoming officers assigned to the facility, through a contracted services agreement. Montana will also pay a portion of facility costs, including utilities, winter maintenance, communications, etc. State special revenue of \$1,101,500 is required for the contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$97,095	\$0
FY 2009	\$97,095	\$0

PL- 2206 - Overtime/Differential -

The Executive Budget includes \$83,502 highway state special revenue and \$13,593 federal special revenue each year of the biennium for overtime and differential pay with associated benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$41,249	\$0
FY 2009	\$33,087	\$0

PL- 2207 - Equipment Rental -

The user provider schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. This adjustment for the Motor Carrier Services Division is \$74,336 state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$18,000	\$0
FY 2009	\$18,000	\$0

PL- 2208 - Credit Card Fee Increase -

This request reflects higher fees incurred for credit card payments related to the increased use of the online permitting system. Motor Carrier Services anticipates credit card use will continue to grow. This biennial request is for \$36,000 of state special revenue to cover the projected increase in credit card fees.

Department Of Transportation-5401

Motor Carrier Services Div.-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$53,986	\$0
FY 2009	\$53,986	\$0

PL- 2209 - Enforcement Capital Purchases -

Motor Carrier Services anticipates the necessity to purchase enforcement equipment in the next biennium. Estimates for the equipment are \$53,986 state special revenue annually.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,600	\$0
FY 2009	\$4,600	\$0

PL- 2210 - IRP Dues Increase -

Dues for participation in the International Registration Plan (IRP) are projected to increase \$4,600 from the \$53,745 base level expenditures. This biennial request is for \$9,200 of state special revenue for the increased dues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,250	\$0
FY 2009	\$7,250	\$0

PL- 2211 - Pilot Move Trailer -

Beginning in FY 2007 and into the 2009 biennium, the Motor Carrier Services division will deploy a new Pilot Move Trailer that will function as a mobile weigh station in various locations throughout the state. This package is requested in order to pay the rental rates to the Equipment Program for the Pilot Move Trailer and a pickup truck needed to pull the trailer. This biennial request is for \$14,500 of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$37,365	\$0
FY 2009	\$37,365	\$0

PL- 2212 - Officer Clothing Allowance -

The department proposes to increase the Motor Carrier Services enforcement officer clothing allowance from the current \$60.50 to \$90.50. This request will update the allowance to be more in line with current apparel costs, including alterations. The clothing allowance has not been raised since 1994. This biennial request is for \$74,730 of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$7,650)	\$0
FY 2009	(\$7,650)	\$0

PL- 2213 - Training Reduction -

This requests reduces training expenditures in the Motor Carrier Services Division in order to consolidate all training authority in the General Services Division in order to utilize federal training funds. This package requests a reduction of \$15,300 in highway state special revenue for the biennium.

Department Of Transportation-5401
Motor Carrier Services Div.-22

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$979,990	\$0

NP- 2204 - Unified Carrier Registration -

SAFETEA-LU eliminates the Single State Registration System (SSRS) effective January 1, 2007 and requires participating states to implement the Uniform Carrier Registration (UCR) program. States will receive UCR revenue equal to the revenue previously derived from SSRS, which must be used to fund commercial motor carrier safety activities administered through the state's MCSAP. The agency plans to implement the UCR on July 1, 2008, at which point MCSAP will receive an additional federal funding annually, which will require federal spending authority. This request is for \$979,990 in federal special revenue in FY 2009.

Department Of Transportation-5401 Aeronautics Program-40

Please note that this program also contains proprietary funds (see section P).

Program Description - The Montana Aeronautics Division: 1) facilitates the operation and infrastructure of airports and airways, both public and private, throughout Montana; 2) provides mechanisms for funding of airport and aviation related projects throughout the state; 3) registers aircraft and pilots in accordance with Montana laws and regulations; and fosters, promotes, and supervises aviation and aviation safety through educational efforts and programs; 4) coordinates and supervises aerial search and rescue operations. In accordance with the maintenance and safety aspects of the division's purpose, it administers a loan and grant program to municipal governments to fund airport improvement projects. The Aeronautics Board approves all loan and grant requests and advises on matters pertaining to aeronautics.

The division serves in a liaison capacity between the State of Montana and various entities including the U.S. Department of Transportation, the Federal Aviation Administration (FAA), and other federal and state entities. The division also is responsible for operation of the air carrier airport at West Yellowstone and for 14 other state-owned airports. Montana Aeronautics Division is authorized by 2-15-2501(2), MCA; Title 67, MCA; and various federal laws.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Pilots registered	1,840	1,860	1,880	1,890	1,900	1,910
Aircraft registered	3,393	3,395	3,395	3,395	3,600	3,600
Search and Rescue incidences	80	95	95	95	95	95
Loans administered	14	18	20	22	15	15
Grants distributed	34	43	50	58	35	40

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	503,302	70,942	0	574,244	72,770	0	576,072
Operating Expenses	(785,005)	3,072,619	0	2,287,614	1,097,766	0	312,761
Equipment	12,800	0	0	12,800	0	0	12,800
Grants	602,310	1,105,690	0	1,708,000	(202,310)	0	400,000
Transfers	10,283	0	0	10,283	0	0	10,283
Debt Service	0	23,000	0	23,000	23,000	0	23,000
Total Costs	\$343,690	\$4,272,251	\$0	\$4,615,941	\$991,226	\$0	\$1,334,916
State/Other Special	279,805	2,329,179	0	2,608,984	1,020,882	0	1,300,687
Federal Special	63,885	1,943,072	0	2,006,957	(29,656)	0	34,229
Proprietary	0	0	0	0	0	0	0
Total Funds	\$343,690	\$4,272,251	\$0	\$4,615,941	\$991,226	\$0	\$1,334,916

Department Of Transportation-5401

Aeronautics Program-40

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$315,000	\$0
FY 2009	\$0	\$0

PL- 4004 - Lincoln Airport Development -

Lincoln Airport (S69) is a large, community airport serving the town and surrounding community near Lincoln, Montana. S69 is a National Plan of Integrated Airport Systems (NPIAS) airport, and receives up to \$150,000 in 95% share entitlement monies from the FAA each year. Current master planning, airport layout planning, safety, and economic needs necessitate the further development of the airport's airside facilities. The biennial cost is \$300,000 of aeronautics division federal special revenue funds which has a 5% match of \$15,000 of aeronautics division state special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,274	\$0
FY 2009	\$5,274	\$0

PL- 4005 - Overtime/Differential -

This request is to reestablish base year overtime and differential pay with associated benefits. The biennial cost is \$10,548 of aeronautics division state special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$23,692	\$0
FY 2009	\$48,599	\$0

PL- 4006 - Program/Service Cost Adjustments -

This package encompasses the needs required to maintain the operations of the Aeronautics program and its services. This package includes a wide range of small increases netting \$23,692 in operating expenses for FY 2008 and \$48,599 in FY 2009. Funding is aeronautics division state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$23,000	\$0
FY 2009	\$23,000	\$0

PL- 4007 - Aircraft Loan -

The aircraft loan package will cover costs associated with the principle and interest on the loan which was used to purchase their new aircraft in FY 2006. Since the aircraft was purchased in the base year FY 2006, the first loan payment will take place in FY 2007 and therefore was not included in base year expenditures. The biennial cost is \$46,000 of aeronautics division state special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$705,690	\$0
FY 2009	(\$602,310)	\$0

PL- 4010 - Biennial Appropriation Adjustments -

This request includes adjustments to both years of the biennium to create biennial appropriations for the Aeronautics Division's programs including Airport Courtesy Cars and Pavement Preservation. This package also encompasses the estimated revenue collected from the aviation fuel tax. The biennial costs for this package are \$34,606 of aeronautics grant funds, a reduction of \$5,600 in aeronautics division state special revenue funds, and \$74,374 of airport preservation funds.

Department Of Transportation-5401 Aeronautics Program-40

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$260,410	\$0
FY 2009	(\$39,590)	\$0

PL- 4011 - Statewide Plan Update -

The update of the system plan is a cooperative effort of the Aeronautics Division and the Federal Aviation Administration. This report is intended to identify the current resources and trends in the state's aviation system. This request has a biennial cost of \$11,040 of aeronautics division state special revenue, and \$209,780 of aeronautics division federal special revenue. The biennial request covers the expected costs associated with the FAA grant and contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,387,750	\$0
FY 2009	\$0	\$0

PL- 4012 - Federal Portion of Proprietary -

This package includes the federal match portion of the West Yellowstone Airport proprietary program. This package includes the match on FAA Entitlement, West Yellowstone wildlife fence, and the West Yellowstone Apron expansion. The biennial cost of this package is \$1,387,750 of aeronautics division federal special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,090,947	\$0
FY 2009	\$1,090,947	\$0

PL- 4013 - Accounting Adjustment -

Due to a timing issue at fiscal year end, federal reimbursements from the Federal Aviation Administration but not state expenditures were captured in the base budget. This request restores base budget authority of \$1,090,947 state special revenue each year to correctly budget and account for airport projects.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$400,000	\$0
FY 2009	\$400,000	\$0

PL- 4014 - Aeronautic Loans -

The Montana State Constitution requires that all monies leaving the state treasury be tied to a specific appropriation. The Aeronautics Loan Program within the Aeronautics Division historically had transactions coded directly to an account without hitting a specific appropriation. This request establishes authority for the Aeronautics Loan Program to fulfill Montana State Constitutional requirements. The biennial amount for this package is \$800,000 in aeronautic loan funds.

Department Of Transportation-5401

Transportation Planning Divisi-50

Program Description - The Transportation Planning Division provides: 1) a continuous statewide multimodal transportation planning process used to allocate highway program resources to ensure highway system performance goals are maintained and federal-aid highway and transit grant eligibility is maintained within the federal surface transportation programs; 2) an inventory of transportation infrastructure for the allocation of state fuel taxes to local governments; 3) support for the state's comprehensive statewide highway safety plan including technical analysis, performance tracking and coordination with multiple administrative agencies and jurisdictions; 4) the point of contact for MDT for major developers seeking access onto the state's highway system; 5) mapping functions to aid in the publication of the state tourist map and geo-spatial infrastructure inventories; 6) transportation planning and programming assistance to metropolitan and urban areas; and 7) responses to legislative or regulatory actions necessitating representation before courts, congressional hearings, the US DOT, the Surface Transportation Board, and others. This planning results in a program of projects which includes street highway and bridge improvements, buses for transit systems, railroad track rehabilitation, safe routes to school awards, transportation enhancements for non-motorized use and beautification improvements. The division is authorized by Title 7, Chapter 14-102, Title 15, chapter 70-101, Title 60, Chapters 3 & 11, and Title 61, Chapter 2, part 1, MCA. Federal titles are Title 23 USC Sections 134, 135, and 148(a) (6); Title 49 USC Sections 5310, 5311, and 5307 and SAFETEA-LU Sections 1404, 3018, and 3019.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Federal aid resources for Montana which lapsed and were made available to other states	0%	0%	0%	0%	0%	0%
High priority goals and objectives in the DOT long-range plan which progressed significantly or were completed	96%	95%	96%	95%	95%	95%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	59.10	0.00	6.00	65.10	0.00	6.00	65.10
Personal Services	2,856,867	690,454	309,425	3,856,746	698,996	309,760	3,865,623
Operating Expenses	1,526,629	27,967	668,800	2,223,396	22,885	674,800	2,224,314
Equipment	18,085	0	0	18,085	0	0	18,085
Grants	4,822,929	682,974	6,551,169	12,057,072	682,974	7,271,805	12,777,708
Total Costs	\$9,224,510	\$1,401,395	\$7,529,394	\$18,155,299	\$1,404,855	\$8,256,365	\$18,885,730
State/Other Special	2,052,950	1,291,393	1,399,932	4,744,275	1,396,770	1,544,264	4,993,984
Federal Special	7,171,560	110,002	6,129,462	13,411,024	8,085	6,712,101	13,891,746
Total Funds	\$9,224,510	\$1,401,395	\$7,529,394	\$18,155,299	\$1,404,855	\$8,256,365	\$18,885,730

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$23,239	\$0
FY 2009	\$23,239	\$0

PL- 5002 - Overtime/Differential -

The Executive Budget includes \$12,660 highway state special revenue and \$33,818 highway federal special revenue each year of the biennium to re-establish base year overtime and differential pay with associated benefits.

Department Of Transportation-5401 **Transportation Planning Divisi-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,233	\$0
FY 2009	\$21,846	\$0

PL- 5003 - Equipment Rental -

The user provider schedule, required in the budgeting process as a means of providing adequate revenue for the Equipment Program, computes an adjustment to the users of the equipment. The biennial cost of the adjustment for the Transportation Planning Division is \$14,501 of highway state special revenue and \$34,578 of highway federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$381,988	\$0
FY 2009	\$381,988	\$0

PL- 5007 - State Transit Assistance -

The Executive recommends state special revenue authority of \$381,988 each year of the biennium for the senior citizen transportation assistance program, funded by a percentage of fees collected on vehicle licenses. The appropriation would allow the department to fully expend the funds collected from the revenue source for the purposes described in statute.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$330,986	\$0
FY 2009	\$330,986	\$0

PL- 5008 - Statewide Urban Planning Update -

SAFETEA-LU has increased requirements for transportation planning and programming. All updates to metropolitan and small urban transportation plans must be in compliance with these new requirements. Urban and metropolitan transportation plans are updated cooperatively with local governments through a continuous, coordinated, and comprehensive transportation planning process. This compliance requires a biennial cost of \$148,602 in highway state special revenue, and \$513,370 in highway federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$31,178)	\$0
FY 2009	(\$31,178)	\$0

PL- 5009 - Training Reduction -

This package will reduce training expenditures in the Transportation Planning program in order for training to be funded with 100% Federal dollars in the General Operations Division. This biennial reduction is for \$62,356 of highway state special revenue.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$238,279	\$0
FY 2009	\$238,490	\$0

NP- 5001 - Rail, Transit & Planning FTE -

In accordance with SAFETEA-LU, all updates to statewide transportation plans must be in compliance with new requirements. If requirements are not met, the Federal Highway Administration and Federal Transit Administration will not approve the Statewide Transportation Improvement Program or STIP. The department requests 4.00 FTE to meet these requirements at a biennial cost of \$95,354 of highway state special revenue and \$381,415 of highway federal special revenue.

Department Of Transportation-5401 **Transportation Planning Divisi-50**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$0
FY 2009	\$500,000	\$0

NP- 5004 - Corridor Studies -

A significant area of linkage required by SAFETEA-LU is the coordination of transportation planning products with National Environmental Policy Act (NEPA) requirements. The Federal Highway Administration within its proposed rule for implementing SAFETEA-LU explicitly hopes to "change the culture" by using decisions made at the transportation planning stage within later environmental review processes. The biennial amount for this package includes \$200,000 in state special revenue and \$800,000 in federal special revenue to implement this requirement of the federal legislation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,372,115	\$0
FY 2009	\$7,092,875	\$0

NP- 5005 - Passage of SAFETEA-LU Act FTA -

Due to the significant increase in state managed transit funding Montana received in SAFETEA-LU, the department requests 2.00 FTE and \$2,648,842 in FTA local match, \$10,574,132 in FTA grants, and \$242,016 in highway federal special revenue for the 2009 biennium. Montana's share of the General Rural Public transit program increased 239%, while the transit program for Elderly and Disabled increased 13% to 26%. The request also includes spending authority for two new SAFETEA-LU programs: New Freedoms and Job Access and Reverse Commute.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$419,000	\$0
FY 2009	\$425,000	\$0

NP- 5006 - Safe Routes to School -

The department requests funding to implement the mandatory coordinator and behavioral grants provisions of the Safe Routes to School program as enacted in SAFETEA-LU. This program apportions \$1 million annually to Montana for a program to encourage elementary and middle school students to walk and bike to school. Up to 30% of this program is to be allocated to training, education, marketing, assessments, and behavioral components while the remainder will be allocated to infrastructure. The biennial costs of this request are \$844,000 of federal special revenue.

Department Of Revenue-5801

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - The Department of Revenue through a competent, diverse workforce committed to success:

- Provides effective and responsive service to citizens, businesses and nonresidents who participate in Montana's economy,
- Expands cooperation of citizens in making the tax system that they own work well,
- Supports equity and integrity in taxation through effective and uniform enforcement, while protecting taxpayer rights and thanking those citizens and businesses paying their fair share of taxes,
- Protects the public health, safety and order in the administration of liquor laws,
- Advises, based on sound study and analysis, the Governor, legislature and the public on tax issues, and
- Cooperates, consistent with its statutory role and responsibilities, with public officials and agencies in local, state, tribal and federal governments to achieve the public good.

Statutory Authority - Titles 2, 15, 16, 39, MCA

Reorganization - In FY 2006 the Department of Revenue reorganized its structure. The Customer Service Division was eliminated and the functions were distributed among the remaining divisions in the department. The Liquor Control Division was established to include both liquor distribution and liquor licensing. This reorganization was completed to improve the effectiveness and efficiency of each of the individual divisions. The functions of each division are described in detail under the applicable program.

Language Recommendations - "There is appropriated up to \$1 million general fund to the Department of Revenue to fund major litigation expenses related to protests of centrally assessed property taxes and corporation license and income."

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Citizen Services						
Call Center Calls Answered	129,963	113,072	125,035	125,035	125,035	125,035
Call Center Calls Received	154,359	132,121	146,936	146,936	146,936	146,936
% of Calls Answered	84.2%	85.6%	85.1%	85.1%	85.1%	85.1%
One Stop Licenses	6,235	6,311	6,548	6,797	7,055	7,323
Abandoned Property Claims	2,323	1,582	2,271	2,500	2,500	2,500
Processing & Retention Operations						
Electronically Filed Income Tax Returns	195,880	224,653	236,200	253,696	271,224	289,870
Paper Filed Income Tax Returns	243,247	200,102	203,100	207,569	213,104	218,674
% of Income Tax Returns Filed Electronically	45%	53%	54%	55%	56%	57%
Income Tax Paper Refund Timeliness (days)	30	35	32	32	33	34
Tax Payments Processed	727,229	663,299	746,650	769,050	792,120	815,885

Department Of Revenue-5801

Other Tax Type Returns Processed	361,156	544,730	747,804	671,794	818,784	740,654
Liquor Control Division						
Liquor Licenses Issued	2,233	2,262	2,267	2,300	2,350	2,400
Liquor Cases Distributed	513,885	535,635	578,941	604,400	631,598	660,019
Liquor Service Level	99.1%	98.9%	98.3%	99%	99%	99%
Liquor Accuracy	99.9%	99.9%	99.9%	99%	99%	99%
Human Resources						
Employee Retention	90%	90%	90%	90%	90%	90%
Financial Management						
HB124 Entitlement Share Distributions	\$82,458,750	\$85,005,311	\$85,504,866	\$85,595,570	\$88,185,397	\$90,855,194
Oil and Natural Gas Production Taxes	\$94,564,820	\$140,886,788	\$203,192,928	\$205,000,000	\$205,000,000	\$205,000,000
Liquor Vendor Payments	\$39,377,111	\$42,099,791	\$42,128,821	\$44,656,550	\$47,335,943	\$50,176,100
Business and Income Taxes						
Audit Collections	\$38,097,000	\$41,750,000	\$37,022,000	\$30,000,000	\$30,150,000	\$30,700,000
Accounts Receivable Dollars Collected (15)	\$34,506,845	N/A	\$41,043,896	\$35,000,000	\$35,000,000	\$35,000,000
Cigarette Stamps Issued	62,519,066	58,844,763	48,317,293	50,630,652	47,660,000	45,100,000
Appraised Market Value of Utilities	\$5,725,605,435	\$6,166,167,021	\$6,437,124,996	\$6,500,000,000	\$6,500,000,000	\$6,500,000,000
Property Tax						
Total Property Parcels	889,472	903,450	923,326	943,639	964,399	985,616
Residential New Construction	7,628	8,229	8,843	9,507	10,225	11,002
Commercial New Construction	1,077	1,220	1,328	1,445	1,575	1,714
Sales Reviews	29,055	29,648	31,699	33,896	36,250	38,770
Ownership Changes	87,745	94,643	97,954	98,756	104,007	108,316
Property Splits	11,725	13,701	15,756	18,120	20,838	23,963
Personal Property Accounts	74,351	72,926	72,034	71,134	70,245	69,367
Number of Assessments	153,009	187,853	188,087	202,592	206,644	826,576
Number of CTAB Appeals Filed	20	25	20	20	20	400
Number of STAB Appeals Filed	6	9	6	6	6	120
<i>* Reappraisal year – new values used for this tax year</i>						

Department Of Revenue-5801

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	611.03	79.00	9.00	699.03	93.50	9.00	713.53
Personal Services	24,601,237	6,974,339	463,140	32,038,716	7,665,467	463,640	32,730,344
Operating Expenses	10,881,515	8,108,420	2,582,324	21,572,259	7,165,560	3,590,901	21,637,976
Equipment	181,863	0	0	181,863	0	0	181,863
Debt Service	972	0	0	972	0	0	972
Total Costs	\$35,665,587	\$15,082,759	\$3,045,464	\$53,793,810	\$14,831,027	\$4,054,541	\$54,551,155
General Fund	32,716,886	14,587,757	2,897,904	50,202,547	14,493,487	3,923,500	51,133,873
State/Other Special	616,073	410,392	0	1,026,465	250,751	0	866,824
Federal Special	302,685	102,132	0	404,817	101,332	0	404,017
Proprietary	2,029,943	(17,522)	147,560	2,159,981	(14,543)	131,041	2,146,441
Total Funds	\$35,665,587	\$15,082,759	\$3,045,464	\$53,793,810	\$14,831,027	\$4,054,541	\$54,551,155

Department Of Revenue-5801

Directors Office-01

Program Description - The Director's Office is composed of four primary sections. The basic function for each of these sections is: 1) The Executive Office is responsible for the general management of the agency. This office assists the Director with administrative functions and communication to the public, other agencies, and elected officials; 2) The Legal Services Office (LS) is responsible for the overall legal efforts of the department, which include: legal representation before various courts; legislative development and review; filing bankruptcy claims; and developing policy and administrative rules. It is responsible for the management of the office of disclosure and taxpayer assistance (DTA), which handles taxpayer inquiries from other taxing jurisdictions and state agencies. The DTA office also provides taxpayer assistance. The legal services office further oversees the office of dispute resolution (ODR), which reviews, facilitates, and resolves taxpayer disputes internally through a variety of means, including mediation; 3) The Tax Policy and Research Office (TPR) is responsible for the preparation of legislative fiscal notes that affect revenue, the analysis of legislative proposals affecting the department, and department economic and compliance data analysis; and 4) the Human Resources and Organizational Development Office (HR) is responsible for the human resources, payroll and benefits, and education and training functions of the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	39.98	15.00	0.00	54.98	15.00	0.00	54.98
Personal Services	2,135,090	1,178,106	0	3,313,196	1,184,976	0	3,320,066
Operating Expenses	1,341,768	1,846,633	0	3,188,401	1,085,845	0	2,427,613
Total Costs	\$3,476,858	\$3,024,739	\$0	\$6,501,597	\$2,270,821	\$0	\$5,747,679
General Fund	3,447,790	2,824,285	0	6,272,075	2,078,792	0	5,526,582
State/Other Special	0	85,287	0	85,287	81,486	0	81,486
Federal Special	800	0	0	800	(800)	0	0
Proprietary	28,268	115,167	0	143,435	111,343	0	139,611
Total Funds	\$3,476,858	\$3,024,739	\$0	\$6,501,597	\$2,270,821	\$0	\$5,747,679

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$957,315	\$872,028
FY 2009	\$930,593	\$849,107

PL- 701 - Compliance - Legal -

The purpose of this proposal is to ensure that justice is served by taxpayers paying their "fair share" as determined by the Montana Constitution and the legislature so that additional or higher taxes are not required to be paid by those already paying the proper amounts under the law. Legal resources are needed to support the department's compliance efforts from litigation through to completion by collection. The proposal includes 7.00 FTE and general fund of \$957,315 in FY 2008 and \$930,593 to provide the department with the resources to ensure proper compliance.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,514,838	\$1,450,474
FY 2009	\$955,873	\$895,333

PL- 1011 - Fulfill Statutory Responsibilities -

The purpose of this proposal is to improve the efficiency and effectiveness of the department and its responsiveness to citizens, improve worker safety, and reduce disruptions in revenue administration due to natural disasters. This proposal requests \$2,470,711 general fund over the biennium to fund 8.00 FTE, and operations to provide the department with resources to perform current statutory obligations. This includes funding to recruit, train, and manage staff, improve operations, ensure timely hearings of citizen appeals of department decisions, address environmental concerns in department facilities, and provide for disaster recovery.

Department Of Revenue-5801 Information Technology & Processing-02

Program Description - The Information Technology and Processing Division (ITP) provides application development and support services; network services including data, desktop, information security, and help desk support; and tax return and payment processing including account examination and maintenance, cashiering, mailroom, and records management services that enable the department to meet its business objectives. These services are provided by the Information Technology Application Resources (ITAR) Bureau, the Information Technology Services (ITS) Bureau, and the Processing and Retention Operations (PRO) Bureau.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	99.45	2.00	6.00	107.45	2.00	6.00	107.45
Personal Services	3,967,446	622,120	346,616	4,936,182	611,056	347,004	4,925,506
Operating Expenses	3,577,687	3,953,641	2,551,288	10,082,616	4,030,998	3,576,496	11,185,181
Equipment	37,702	0	0	37,702	0	0	37,702
Total Costs	\$7,582,835	\$4,575,761	\$2,897,904	\$15,056,500	\$4,642,054	\$3,923,500	\$16,148,389
General Fund	7,020,534	4,525,919	2,897,904	14,444,357	4,745,439	3,923,500	15,689,473
State/Other Special	209,122	175,400	0	384,522	22,173	0	231,295
Federal Special	92,400	39,600	0	132,000	39,600	0	132,000
Proprietary	260,779	(165,158)	0	95,621	(165,158)	0	95,621
Total Funds	\$7,582,835	\$4,575,761	\$2,897,904	\$15,056,500	\$4,642,054	\$3,923,500	\$16,148,389

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,917,344	\$3,702,344
FY 2009	\$3,934,692	\$3,874,692

PL- 201 - On-going System Costs -

This proposal requests \$7,577,036 general fund and \$275,000 state special and federal appropriation authority for ongoing costs of existing systems in the 2009 biennium. This includes funding for maintenance and mid-tier costs to ensure the new department computer systems continue to operate, to cover the cost of providing the statutorily mandated "New Hire" service, and to allow the department to collect the water adjudication fee authorized by the 2005 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$262,521	\$262,521
FY 2009	\$291,960	\$291,960

PL- 7015 - Processing Returns & Refunds -

This proposal requests \$554,481 general fund for the biennium to process tax returns in a timely and efficient manner. The department does not have adequate resources to efficiently process all tax returns and payments. Between January and May, the department focuses all available resources on processing individual tax returns. Even with additional temporary staff, a backlog exists in processing all types of tax returns which impacts compliance and potential tax collection efforts. The department continually faces this backlog, does not provide timely feed back to taxpayers, and runs into the statute of limitations for audit purposes.

**Department Of Revenue-5801
Information Technology & Processing-02**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,897,904	\$2,897,904
FY 2009	\$3,923,500	\$3,923,500

NP- 202 - Free Electronic Filing -

This proposal requests a general fund total of \$2,897,904 in FY 2008 and \$3,923,500 in FY 2009, of which \$2,261,644 in FY 2008 and \$3,058,331 in FY 2009 is one-time only, to provide additional e-services, including free electronic filing and Telefile services to the citizens of Montana. This includes funding for 6.00 FTE to administer e-services, filing annual MW3-W2/1099's, filing C-Corp, S-Corp and Partnerships, additional e-payment options, e-services marketing, web based software Taxpayer Access Point (TAP), and Telefile services.

Department Of Revenue-5801 Liquor Control Division-03

Program Description - The Liquor Control Division (LC) is responsible for administering the Alcoholic Beverage Code with an emphasis on excellence in customer service and a focus on public safety by ensuring a safe, orderly and regulated system for the convenient distribution and responsible consumption of alcoholic beverages. The Liquor Control Division consists of the Liquor Distribution (LD) Bureau, which oversees the warehousing, inventory, and shipping of distilled spirits and fortified wines and the state agency liquor stores unit that manages the exclusive retail operation of liquor and fortified wines; and the Liquor Licensing (LL) Bureau that oversees the licensing of on-premise and off-premise businesses, manufacturers, wholesalers, warehouses, importers, and liquor representatives.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	25.00	0.00	3.00	28.00	0.00	3.00	28.00
Personal Services	1,058,366	104,277	116,524	1,279,167	108,568	116,636	1,283,570
Operating Expenses	429,833	82,033	31,036	542,902	84,545	14,405	528,783
Equipment	54,723	0	0	54,723	0	0	54,723
Total Costs	\$1,542,922	\$186,310	\$147,560	\$1,876,792	\$193,113	\$131,041	\$1,867,076
Proprietary	1,542,922	186,310	147,560	1,876,792	193,113	131,041	1,867,076
Total Funds	\$1,542,922	\$186,310	\$147,560	\$1,876,792	\$193,113	\$131,041	\$1,867,076

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$147,560	\$0
FY 2009	\$131,041	\$0

NP- 301 - Liquor System Reforms -

This proposal requests \$147,560 in FY 2008 and \$131,041 in FY 2009 of liquor enterprise funds to maintain a liquor control system and to allow fair interstate commerce based on historic court decisions. This request is for 3.00 FTE, two of these FTE are for compliance/research/audit specialists, and are contingent upon passage and approval of LC# 0515. Additional legislation is proposed that amends statutory provisions to address a Montana District Court decision concerning the constitutionality of state residency requirements for liquor licensees and establishes standards to qualify publicly traded companies as licensees. The applications are complicated and the review process takes extra time, therefore the third FTE requested is a licensing technician that will review and approve these complex applications.

Department Of Revenue-5801

Citizen Services & Resource Mgmt-05

Program Description - The Citizens Services and Resource Management Division (CSRM) integrates the accounting, purchasing, statewide facilities, safety and security functions through the Financial and Asset Management Bureau (FAM), and the call center, forms design, small business licensing coordination and abandoned property distribution through the Citizen Service Bureau (CS). The division focuses on customer service and providing support services to the department's divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	25.00	1.00	0.00	26.00	1.00	0.00	26.00
Personal Services	1,085,582	108,562	0	1,194,144	112,293	0	1,197,875
Operating Expenses	599,531	137,737	0	737,268	136,920	0	736,451
Equipment	80,716	0	0	80,716	0	0	80,716
Total Costs	\$1,765,829	\$246,299	\$0	\$2,012,128	\$249,213	\$0	\$2,015,042
General Fund	1,464,617	396,593	0	1,861,210	397,707	0	1,862,324
State/Other Special	103,238	3,547	0	106,785	5,347	0	108,585
Proprietary	197,974	(153,841)	0	44,133	(153,841)	0	44,133
Total Funds	\$1,765,829	\$246,299	\$0	\$2,012,128	\$249,213	\$0	\$2,015,042

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$175,543	\$175,543
FY 2009	\$171,709	\$171,709

PL- 7013 - Citizen Services -

This proposal requests a biennial general fund appropriation of \$347,252 to continuously improve tax forms and instructions, respond to taxpayer suggestions for improvement, and provide toll-free telephone access for the citizens to communicate with the Department of Revenue. These services will improve taxpayer compliance by making it easier for citizens to understand tax forms and instructions and to communicate with the department with their questions and requests.

Department Of Revenue-5801 Business And Income Taxes Division-07

Please note that this program also contains proprietary funds (see section P).

Program Description - The Business and Income Taxes Division (BIT) is responsible for the administration and collection of Montana corporation license, natural resource, withholding, personal income, miscellaneous taxes, and industrial and centrally assessed property valuation. The Income and Withholding Bureau (IW), the Business Tax and Valuation Bureau (BTV), and the Accounts Receivable and Collections Bureau (ARC) handle these functions for the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	123.75	29.00	0.00	152.75	39.00	0.00	162.75
Personal Services	5,171,666	2,397,019	0	7,568,685	2,880,865	0	8,052,531
Operating Expenses	1,205,755	1,061,450	0	2,267,205	1,009,261	0	2,215,016
Total Costs	\$6,377,421	\$3,458,469	\$0	\$11,323,115	\$3,890,126	\$0	\$10,267,547
General Fund	5,904,476	3,259,526	0	9,164,002	3,695,596	0	9,600,072
State/Other Special	263,460	136,411	0	1,887,096	131,998	0	395,459
Federal Special	209,485	62,532	0	272,017	62,532	0	272,017
Total Funds	\$6,377,421	\$3,458,469	\$0	\$11,323,115	\$3,890,126	\$0	\$10,267,547

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$398,492	\$398,492
FY 2009	\$375,557	\$375,557

PL- 7012 - Tax Gap Analysis -

This proposal implements a recent Legislative Performance Audit recommendation, and will provide the department with Montana-specific information essential to effectively and efficiently manage its overall compliance program. This proposal requests \$774,049 general fund in the 2009 biennium to provide personal services and operating costs for 6.00 FTE in the Business and Income Tax Division (BIT) to conduct the targeted auditing necessary for a comprehensive, state-specific tax gap study program. The study will provide estimates of the extent of tax compliance gap and its specific sources. The results of the study will assist the department in continuously improving efforts to reduce the tax gap and improving the equity and integrity of the tax system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,023,060	\$1,859,544
FY 2009	\$2,441,200	\$2,289,187

PL- 7019 - Compliance - Audit & Collections -

This proposal requests approximately \$4.1 million general fund for the biennium to continue to enhance tax compliance activities in Montana. This funding will provide needed resources to address several key compliance issues in areas such as pass-through entity audits, oil and gas tax audits, issues related to Montana source income, and issues associated with nonresident taxpayers. These funds will be used to hire 23.00 FTE in FY 2008 and 33.00 FTE in FY 2009, and to provide for operations and contracted services to hire specific experts.

**Department Of Revenue-5801
Business And Income Taxes Division-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$62,532	\$0
FY 2009	\$62,532	\$0

PL- 7020 - Federal Royalty Audit Program -

This request is for an increase of \$125,064 federal special revenue for the biennium for operating costs associated with the Federal Royalty Audit Program. Funding for the 2007 biennium was based on FY 2004 program expenditures. However, the existing agreement for the Federal Royalty Audit Program is \$62,532 per year more than is included in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$52,147	\$52,147
FY 2009	\$52,147	\$52,147

PL- 7022 - Child Support Debt Collection Costs -

This proposal requests \$104,294 general fund over the biennium to fund debt collection costs for collecting overpaid child support payments made to custodial parents and delinquent child support payments from non-custodial parents. The 2005 Legislature authorized \$147,460 for this purpose but the department only spent \$21,583. This proposal brings funding for the 2009 biennium back to the original amount.

Department Of Revenue-5801 Property Assessment Division-08

Program Description - The Property Assessment Division (PAD) is responsible for administering the property tax laws, including annual appraisal and cyclical reappraisal. Staff located throughout the state in six geographically distinct regions and a management analyst/administrative support bureau in Helena perform the functions of this division.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	297.85	32.00	0.00	329.85	36.50	0.00	334.35
Personal Services	11,183,087	2,564,255	0	13,747,342	2,767,709	0	13,950,796
Operating Expenses	3,726,941	1,026,926	0	4,753,867	817,991	0	4,544,932
Equipment	8,722	0	0	8,722	0	0	8,722
Debt Service	972	0	0	972	0	0	972
Total Costs	\$14,919,722	\$3,591,181	\$0	\$18,510,903	\$3,585,700	\$0	\$18,505,422
General Fund	14,879,469	3,581,434	0	18,460,903	3,575,953	0	18,455,422
State/Other Special	40,253	9,747	0	50,000	9,747	0	50,000
Total Funds	\$14,919,722	\$3,591,181	\$0	\$18,510,903	\$3,585,700	\$0	\$18,505,422

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$595,595	\$595,595
FY 2009	\$208,499	\$208,499

PL- 802 - Reappraisal - GIS Staff-OTO -

This proposal requests \$595,595 in FY 2008 and \$208,499 in FY 2009 of general fund to enable the Department of Revenue to fulfill its constitutional and statutory responsibility to value agricultural and forest land properly by December 31, 2008. This proposal requests 8.00 FTE GIS staff in FY 2008 and 4.50 FTE GIS staff in FY 2009 to complete the reappraisal of these lands.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,166,796	\$1,166,796
FY 2009	\$1,446,160	\$1,446,160

PL- 8012 - Maintain Parcel Count Caseload -

This proposal requests \$2,612,956 in general fund for the 2009 biennium. The purpose of this proposal is to ensure that the department can meet its constitutional and statutory responsibility to value property equitably and uniformly across the state in the face of accelerating parcel numbers. This proposal requests an ongoing appropriation that will allow the Property Assessment Division to maintain its current case load per FTE. Based on current trends, it is estimated that the division's case load will increase from 920,000 parcels in 2005 to nearly 1.1 million parcels by the 2009 tax year. Current staffing is insufficient to handle this case load. This proposal is intended to enable the department to complete reappraisal by the statutory deadline of December 31, 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$313,862	\$313,862
FY 2009	\$346,954	\$346,954

PL- 8021 - PAD Field Office Rent -

This proposal requests \$660,816 general fund over the biennium to pay rent for space occupied by the property assessment division throughout the state.

Department Of Administration-6101

Please note that this agency also contains proprietary fund (see section P).

Mission Statement - The Department of Administration exists to provide professional and responsive services to state employees, local governments, and to the state agencies that serve the citizens of Montana.

Statutory Authority - Title 2, Chapters 7, 15, 17 and 18; Title 15, Chapter 2; Title 17; Title 18; Title 23, Chapter 7, Title 47, Chapter 1 MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	149.72	4.00	7.90	161.62	4.00	8.90	162.62
Personal Services	7,551,646	1,484,077	369,976	9,405,699	1,614,162	415,649	9,581,457
Operating Expenses	7,799,929	2,510,055	1,625,761	11,935,745	2,201,546	809,192	10,810,667
Equipment	42,256	0	215,000	257,256	0	15,000	57,256
Local Assistance	22,944	0	0	22,944	0	0	22,944
Grants	0	860,530	0	860,530	860,530	0	860,530
Transfers	500,000	(500,000)	8,534,000	8,534,000	(500,000)	7,150,000	7,150,000
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$15,948,825	\$4,354,662	\$10,744,737	\$31,048,224	\$4,176,238	\$8,389,841	\$28,514,904
General Fund	3,645,471	2,900,784	9,178,147	15,724,402	2,738,027	7,586,185	13,969,683
State/Other Special	4,210,892	1,820,999	766,590	6,798,481	1,896,376	803,656	6,910,924
Federal Special	147,422	(60,129)	800,000	887,293	(60,089)	0	87,333
Capital Projects	500,000	(500,000)	0	0	(500,000)	0	0
Proprietary	7,445,040	193,008	0	7,638,048	101,924	0	7,546,964
Total Funds	\$15,948,825	\$4,354,662	\$10,744,737	\$31,048,224	\$4,176,238	\$8,389,841	\$28,514,904

Department Of Administration-6101

Governor Elect Program-02

Program Description - The Governor Elect Program pays start-up costs for the incoming Governor, as required by 2-15-221, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0	0	0	0	50,000	0	50,000
Total Costs	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000
General Fund	0	0	0	0	50,000	0	50,000
Total Funds	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$50,000	\$50,000

PL- 201 - Governor-Elect Appropriation -

Montana statute (2-15-221, MCA) requires the department to provide funding to a governor-elect and his or her staff for the period between the general election and the inauguration in the event of a change in office as a result of the 2008 general election. The department requests \$50,000 in FY 2009.

Department Of Administration-6101

Admin Financial Serv Division-03

Please note that this program also contains proprietary funds (see section P).

Program Description - The Administrative Financial Services Division consists of several units. The Director's Office is responsible for overall supervision and coordination of agency programs and administratively attached boards and agencies. The Legal Unit provides legal services to agency and administratively attached programs. The Accounting Bureau is the process owner of the financial portion of the Statewide Budgeting, Accounting and Human Resource Systems (SABHRS), establishes state accounting policies and procedures, administers the federal Cash Management Improvement Act, processes warrants for all state agencies, and prepares the state Comprehensive Annual Financial Report (CAFR). The Management Support Bureau and personnel function provides financial, budgeting, accounting, personnel, and payroll functions for the department. Local Government Services Bureau provides technical assistance and training to local government accounting and financial personnel and defines, reviews and enforces auditing requirements for Montana's local governments. The SABHRS Services Bureau provides the programming and support for the financial, human resource and budgeting system for the State.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
LGS Systems Program - On Site Assistance (Hours)	5028	6465	4498	5700	6000	6000
LGS Audit Review Program** - Local Government Audits	488	475	529	500	500	500

****LGS Audit Review Program** - The number of audits reported above as actual for FY2004, FY2005, and FY2006 represent the number of audit reports actually received by the program during those three fiscal years. The audits received during FY2004 covered FY2003, or were biennial audits and covered FY2002 and FY2003. The audits received during FY2005 covered FY2004, or were biennial audits and covered FY2003 and FY2004. The audits received during FY2006 covered FY2005, or were biennial audits and covered FY2004 and FY2005. Audits are always conducted after the close of the last fiscal year of the audit period. The audits are submitted to the program during the fiscal year following the last fiscal year covered by the audit.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	23.84	0.25	0.00	24.09	0.25	0.00	24.09
Personal Services	1,177,233	279,596	0	1,456,829	282,520	0	1,459,753
Operating Expenses	330,751	134,503	0	465,254	18,804	0	349,555
Local Assistance	22,133	0	0	22,133	0	0	22,133
Transfers	0	0	1,384,000	1,384,000	0	0	0
Total Costs	\$1,530,117	\$414,099	\$1,384,000	\$3,328,216	\$301,324	\$0	\$1,831,441
General Fund	1,442,270	363,446	1,384,000	3,189,716	250,582	0	1,692,852
State/Other Special	793	794	0	1,587	794	0	1,587
Federal Special	42,058	45,235	0	87,293	45,275	0	87,333
Proprietary	44,996	4,624	0	49,620	4,673	0	49,669
Total Funds	\$1,530,117	\$414,099	\$1,384,000	\$3,328,216	\$301,324	\$0	\$1,831,441

Department Of Administration-6101
Admin Financial Serv Division-03

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$12,000	\$12,000
FY 2009	\$12,000	\$12,000

PL- 302 - Burial Board -

The Burial Preservation Board has quasi judicial powers to carry out the functions of the Human Skeletal Remains and Burial Site Protection Act and the Repatriation of Human Remains and Funerary Objects Act. This proposal requests the funding for travel expenses related to the annual meeting of the Burial Preservation Board, according to 22-3-804, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$4,343)	(\$4,343)
FY 2009	(\$4,322)	(\$4,322)

PL- 303 - Labor Relations 0.25 FTE Attorney and Rent -

The Office of Labor Relations moved from State Personnel into the Director's Office. The budget request is to move 0.25 FTE attorney corresponding with the move, eliminating rent expense for a non-state building.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$1,000	\$1,000

PL- 305 - Presidential Electors Travel -

The department must pay presidential electors and reimburse their travel costs as required by 13-25-106, MCA, in the year in which a president of the United States is to be elected.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$0	\$0

PL- 307 - Laptop Computer Replacement -

The Executive recommends funding to replace five laptops with Local Government Services Bureau in order to comply with the four year replacement cycle. The lap top computers are used during accounting and financial reporting assistance at local governments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$70,000	\$70,000
FY 2009	\$0	\$0

PL- 308 - SABHRS Readiness Assessment (Biennial/OTO) -

Oracle recently acquired PeopleSoft. The new product is Oracle Fusion and will replace PeopleSoft. This one-time-only request of \$70,000 in FY 2008 is to review and evaluate the two products, and explore other options for the state's accounting system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,000	\$4,000
FY 2009	\$4,000	\$4,000

PL- 309 - Local Government Services Travel -

The Local Government Services Bureau provides accounting and financial reporting support to local governments. This

Department Of Administration-6101 **Admin Financial Serv Division-03**

budget request is \$4,000 general fund per year for travel.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,790	\$7,790
FY 2009	\$8,112	\$8,112

PL- 311 - Allocate Department Indirect /Administrative Costs -

This request is to fund the department's indirect costs charged by the centralized service bureaus.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,384,000	\$1,384,000
FY 2009	\$0	\$0

NP- 301 - PERS Defined Contribution Transfer OTO -

The Public Employees' Retirement Systems' Defined Contribution Retirement Plan (DCRP) was established July 1, 2002. Funding to establish the plan was provided by a loan to be repaid by the DCRP members. The requirement of the plan members to repay this loan is creating an undue hardship on the members of the plan, particularly since only 4% of eligible members have chosen the DCRP. The cost to establish new retirement programs should be the responsibility of the plan sponsor. The plan sponsor is the State of Montana. This request is for a one-time-only general fund payment of \$1,384,000 to repay the loan.

Department Of Administration-6101 Architecture & Engineering Pgm-04

Program Description - The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates. In addition, the division is developing and implementing a condition and needs assessment of K-12 public school facilities as authorized by the December 2005 special session of the legislature.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00
Personal Services	915,948	117,241	0	1,033,189	122,253	0	1,038,201
Operating Expenses	267,022	63,409	340,000	670,431	66,901	340,000	673,923
Transfers	0	0	7,150,000	7,150,000	0	7,150,000	7,150,000
Total Costs	\$1,182,970	\$180,650	\$7,490,000	\$8,853,620	\$189,154	\$7,490,000	\$8,862,124
General Fund	0	0	7,150,000	7,150,000	0	7,150,000	7,150,000
State/Other Special	1,182,970	180,650	340,000	1,703,620	189,154	340,000	1,712,124
Total Funds	\$1,182,970	\$180,650	\$7,490,000	\$8,853,620	\$189,154	\$7,490,000	\$8,862,124

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,466	\$0
FY 2009	\$4,720	\$0

PL- 311 - Allocate Department Indirect/Administrative Costs -
This request is to fund the department's indirect costs charged by the centralized service bureaus.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$340,000	\$0
FY 2009	\$340,000	\$0

NP- 312 - Contracted Services Expanded Long Range Building -
The Long Range Building Program (LRBP) has experienced significant growth since the 2005 biennium. Assuming the estimated program for the 2009 biennium is approved by the Legislature, growth in the program for the period is from just under \$80 million to over \$261 million. The cash program has also increased from \$3 million to over \$112 million. This budget request is for \$340,000 in FY 2008 and \$340,000 in FY 2009 for contracted services. The contracted services will be used for staffing needs for project management in the areas of planning, designing, and construction activities.

Department Of Administration-6101
Architecture & Engineering Pgm-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,150,000	\$7,150,000
FY 2009	\$7,150,000	\$7,150,000

NP- 413 - Deferred Maintenance Funding -

The State of Montana Long Range Building Program (LRBP) is the primary source of funding for major repairs and maintenance for two thirds of state-owned buildings, with a combined replacement value exceeding \$1.15 billion. Ongoing funding for the LRBP program has diminished over time and currently the level of funding is not sufficient to maintain a reasonable level of major maintenance on state buildings, causing the state's backlog of deferred maintenance to grow to an estimated \$205 million. The Governor proposes an ongoing general fund appropriation of \$7.15 million annually to directly address this problem of insufficient ongoing funding for maintenance of state buildings.

Department Of Administration-6101 General Services Program-06

Please note that this program also contains proprietary funds (see section P).

Program Description - The General Services Division is composed of four bureaus responsible for providing certain internal services to government agencies and the public.

The Facilities Management Bureau manages the following services for state agencies in the capitol complex and several state-owned buildings in the Helena area either directly or through the administration of service contracts: repair, maintenance, construction, energy consumption, disaster response and recovery, space allocation, lease negotiation, security, janitorial, recycling, pest control, grounds maintenance, and garbage collection.

The State Procurement Bureau procures or supervises the procurement of all supplies and services, and provides technical assistance to government agencies and the public to ensure compliance with the Montana Procurement Act. The bureau also manages the state's vehicle fueling, energy procurement, and procurement card programs.

The Print and Mail Services Bureau provides print and mail services to state agencies at a central facility. Services include internal printing including three quick copy centers, external (contracted) printing, photocopy pool, mail preparation, central mail operations, inter-agency (deadhead) mail, and the United States post office in the Capitol.

The Property and Supply Bureau manages the central stores program and the state and federal surplus property programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	10.35	0.00	1.90	12.25	0.00	1.90	12.25
Personal Services	493,727	45,358	96,909	635,994	48,825	97,151	639,703
Operating Expenses	104,180	1,778,742	163,373	2,046,295	1,870,495	163,473	2,138,148
Equipment	0	0	15,000	15,000	0	15,000	15,000
Transfers	500,000	(500,000)	0	0	(500,000)	0	0
Debt Service	32,050	0	0	32,050	0	0	32,050
Total Costs	\$1,129,957	\$1,324,100	\$275,282	\$2,729,339	\$1,419,320	\$275,624	\$2,824,901
General Fund	629,957	1,824,100	8,634	2,462,691	1,919,320	8,642	2,557,919
State/Other Special	0	0	266,648	266,648	0	266,982	266,982
Federal Special	0	0	0	0	0	0	0
Capital Projects	500,000	(500,000)	0	0	(500,000)	0	0
Proprietary	0	0	0	0	0	0	0
Total Funds	\$1,129,957	\$1,324,100	\$275,282	\$2,729,339	\$1,419,320	\$275,624	\$2,824,901

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,047	\$3,047
FY 2009	\$3,195	\$3,195

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request is to fund the department's indirect costs charged by the centralized service bureaus.

Department Of Administration-6101

General Services Program-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$500,000)	\$0
FY 2009	(\$500,000)	\$0

PL- 620 - Eliminate Capital Land Grant Funding -

The Executive recommends eliminating the \$500,000 per year rent allocation from the Capitol Land Grant account to the Facilities Maintenance Bureau for major maintenance projects. These funds will instead be used by the Long-Range Building program for major maintenance projects. The funds are difficult to project and posed problems for facilities management, within such a small program, to plan and carry out projects. Rental rates were determined without this revenue.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,634	\$8,634
FY 2009	\$8,642	\$8,642

NP- 604 - Funding Switch for 0.20 FTE in the Procurement Bureau -

The State Procurement is requesting a funding change for 0.20 FTE in the State Procurement Bureau. The position was previously funded 80% from the general fund and 20% from proprietary funds when the incumbent in this position was the Deputy Division Administrator and worked in general fund and proprietary programs. Reorganization in FY 2006 resulted in this position being reclassified to a contracts officer which should be 100% general funded.

-----Other Legislation Required to Implement HB 2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$16,079	\$0
FY 2009	\$16,091	\$0

NP- 602 - Funding Switch for 0.10 FTE in the Pro-Card Program -

The State Procurement Card Program requests a funding switch from an internal service fund to a state special revenue fund. The internal service fund recovered revenue through a card fee charged to user agencies. A new contract awarded in FY 2006 has eliminated the need to charge the card fee. Future revenue to support program costs, will be generated through a volume rebate from the card company based on the yearly procurement card total purchases. This request is contingent on passage and approval of LC 642.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,715	\$0
FY 2009	\$50,834	\$0

NP- 606 - Funding Switch for 0.60 FTE in the Fueling Program -

The Statewide Vehicle Fueling Program requests a fund switch from an internal service fund to a state special revenue fund. The internal service fund recovered revenue through a fee charged on fuel purchases. A new fueling contract awarded in FY 2006 has eliminated the need to charge the fee. Future revenue will be generated through a volume discount rebate of .006 of gross fuel purchases. This request is contingent on passage and approval of LC 642.

Department Of Administration-6101 **General Services Program-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$0
FY 2009	\$50,000	\$0

NP- 610 - Litigation Program/Restricted-OTO -

This request is for a one-time only and restricted appropriation to create a state special revenue litigation fund of \$50,000 each year to pay the costs associated with procurement protests filed under Section 18-4-242, MCA. Currently, agencies have to bear this cost even though the decision is made by the Department of Administration. This request is contingent on passage and approval of LC 642.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$149,854	\$0
FY 2009	\$150,057	\$0

NP- 614 - Computer Surplus Disposal Program -

This request is for \$299,911 over the biennium of state special revenue to fund an electronics surplus disposal program. Currently, surplus electronics such as computers, printers, monitors, servers, projectors, and computer peripherals are disposed of in the land fill. Because these electronics contain hazardous materials such as lead and mercury many land fills are no longer accepting these items. This program will follow EPA guidelines by diverting these items from landfills and reusing the toxic material in new products. This request is contingent on passage and approval of LC 642.

Department Of Administration-6101

Information Tech Serv Division-07

Please note that this program also contains proprietary funds (see section P).

Program Description - Information Technology Services Division (ITSD) is a proprietary program that manages central computing and telecommunications services for state government. ITSD provides central mainframe and mid-tier computer services and manages the statewide data network SummitNet used by all agencies located throughout the state. ITSD provides local and long distance telephone network services used by all agencies, including the Montana University System, and manages the state's video network called METNET. ITSD coordinates electronic government services for the state and manages the states Internet presence at mt.gov. ITSD also manages the Office of Cyber Protection

The division coordinates Geographic Information Systems (GIS) development and manages the Public Safety Services Office that includes the state's 911 and public safety radio programs. These programs are funded by state special revenue and general funds.

Through the Office of the Chief Information Officer, the division develops the Statewide Strategic IT Plan, coordinates information technology for the state, and reviews and approves equipment and software acquisitions. The division also provides statewide information technology training and supports consulting services contracts used by agencies in support of IT systems.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.00	3.00	0.00	12.00	3.00	0.00	12.00
Personal Services	611,264	160,050	0	771,314	161,371	0	772,635
Operating Expenses	291,186	104,027	800,000	1,195,213	97,391	0	388,577
Equipment	0	0	200,000	200,000	0	0	0
Grants	0	860,530	0	860,530	860,530	0	860,530
Total Costs	\$902,450	\$1,124,607	\$1,000,000	\$3,027,057	\$1,119,292	\$0	\$2,021,742
General Fund	409,018	234,459	200,000	843,477	233,303	0	642,321
State/Other Special	388,068	995,512	0	1,383,580	991,353	0	1,379,421
Federal Special	105,364	(105,364)	800,000	800,000	(105,364)	0	0
Total Funds	\$902,450	\$1,124,607	\$1,000,000	\$3,027,057	\$1,119,292	\$0	\$2,021,742

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,325	(\$1,767)
FY 2009	\$6,405	(\$1,726)

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request is to fund the department's indirect costs charged by the centralized service bureaus.

Department Of Administration-6101
Information Tech Serv Division-07

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,084,225	\$0
FY 2009	\$1,080,472	\$0

PL- 740 - GIS Funding Switch for 3.00 FTE -

This request is a fund switch of 3.00 FTE that are currently funded with a proprietary fund to a state special revenue fund. The positions will be funded through the Montana Land Information Act (MLIA). In addition, it is expected that there will be \$860,530 cash available each year for grants to the counties, but because there were no grants made in FY 06, there is no base budget for grants. Consequently, \$860,530 grant authority is requested each year along with additional operating authority each year.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$800,000	\$0
FY 2009	\$0	\$0

NP- 710 - Geographic Coordinate Database (Biennium) -

This request is to extend current funds into the next biennium to invest in federal/state/local partnerships to enhance the accuracy of the geographic coordinate database. Federal special revenue authority of \$800,000 is requested as a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$200,000
FY 2009	\$0	\$0

NP- 737 - Earthquake Protection Enterprise Data Center-OTO -

Because the state's data center is located in an area of the state that has high seismic activity ratings, the administration requests funding for stabilizing equipment for all critical applications located in the data center. This request is for a one-time-only general fund appropriation of \$200,000 to protect the state's current data center in the event of an earthquake.

Department Of Administration-6101

Banking And Financial Division-14

Program Description - The Division of Banking and Financial Institutions licenses, supervises, regulates and examines financial institutions operating in and outside of Montana. Those institutions include 67 banks and trust companies, including 209 branch banks; 12 credit unions; 390 consumer finance companies; 148 sales finance companies; 113 deferred deposit lenders; 41 title loan companies; and 8 escrow companies. The division also licenses and examines 291 mortgage brokers and 392 loan originators. All program functions are statutorily mandated in Title 32, Chapters 1-9 and Title 31, Chapter 1, Parts 7 & 8, MCA.

Program Indicators -

Indicator		Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Regulated depositories – banks, credit unions							
Number		81	81	80	79	77	76
Examinations		38	44	42	43	40	40
New charter and merger applications		6	5	5	4	3	2
Regulated non-depository lenders – consumer loan, title loan, deferred deposit loan licensees							
Applications for new licenses		103	116	108	100	92	90
Licenses outstanding		475	515	530	550	518	500
Examinations		81	161	189	203	201	203
Other regulated businesses							
Applications for new mortgage broker and loan originator licenses		N/A*	620	156	125	125	125
Mortgage broker and loan originator licenses outstanding		N/A*	516	562	625	650	650
Mortgage broker and loan originator examinations		N/A*	0	7	15	25	40
Applications for new sales finance company licenses		24	20	13	15	15	15
Sales finance company licenses outstanding		153	151	149	150	150	150
Escrow company licenses outstanding		9	9	8	9	9	10
Other examinations and investigations		5	1	0	0	0	0
Other information							
Complaints processed		24	44	76	N/A**	N/A**	N/A**
Refunds, rebates and penalties from lenders to borrowers as a result of examinations	Number	10,145	Not available	Not available	N/A**	N/A**	N/A**
	Amount	\$2,027,478	\$466,124	\$35,169	N/A**	N/A**	N/A**

Department Of Administration-6101 Banking And Financial Division-14

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	36.00	0.00	2.00	38.00	0.00	3.00	39.00
Personal Services	1,946,070	526,974	75,615	2,548,659	636,767	120,835	2,703,672
Operating Expenses	660,750	107,961	84,327	853,038	67,434	75,839	804,023
Total Costs	\$2,606,820	\$634,935	\$159,942	\$3,401,697	\$704,201	\$196,674	\$3,507,695
State/Other Special	2,606,820	634,935	159,942	3,401,697	704,201	196,674	3,507,695
Total Funds	\$2,606,820	\$634,935	\$159,942	\$3,401,697	\$704,201	\$196,674	\$3,507,695

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$2,974)	\$0
FY 2009	(\$2,436)	\$0

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$104,175	\$0
FY 2009	\$208,350	\$0

PL- 1401 - Fund Professional Career Ladder Program -

This request will continue to fund the professional career ladder program in the Division of Banking. The request is for a maximum potential salary adjustment of between \$1,500 and \$2,500, depending on the employee's performance in FY 2008 and FY 2009. These adjustments are funded with state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,130	\$0
FY 2009	\$29,730	\$0

PL- 1404 - Rent Increase for Billings Office -

The division proposes to relocate the office of the Billings staff at a cost of \$35,130 in the first year and \$29,730 in the second year. The first year includes approximately \$5,000 of moving costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$36,000	\$0
FY 2009	\$0	\$0

PL- 1405 - E-Licensing -

This budget request is for the Division of Banking and Financial Institutions to provide electronic licensing of consumer finance company licensees. The division successfully implemented a mortgage broker and loan originator licensing program during the last biennium. Complaint, initial licensing application, and licensing renewal forms would be available for completion on-line at the division website or for printable download. Forms completed on-line would reduce paperwork and processing time and allow the public greater access to licensing information and regulatory actions of the division. The state special revenue cost is \$36,000 in the first year.

**Department Of Administration-6101
Banking And Financial Division-14**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,385	\$0
FY 2009	\$5,385	\$0

PL- 1406 - Lease Van from Dept of Transportation Motor Pool -

This request is to lease one minivan from the Motor Pool at a cost of \$5,385 each year of the biennium.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$159,942	\$0
FY 2009	\$196,674	\$0

NP- 1403 - License Mortgage Lenders -

This decision package will add staff to protect consumers seeking mortgage loans and to ensure that the mortgage lending industry is operating without unfair, deceptive, and fraudulent practices on the part of mortgage lenders. This request is for 3.00 FTE and associated operating costs of \$159, 942 in the first year and \$196,674 in the second year. This decision package is funded with state special revenue derived from mortgage lender license fees and is contingent on passage and approval of LC# 264.

Department Of Administration-6101 Montana State Lottery-15

Program Description - The Montana Lottery designs and markets lottery games that allow players to purchase chances to win prizes. The Lottery offers a variety of instant/scratch and lotto-style games, some in cooperation with other lotteries through the Multi-State Lottery Association. A five-member Lottery Commission, appointed by the Governor, sets policy and oversees program activities and procedures. The net revenue, after prizes, sales commissions, and operating expenses is deposited in the state general fund on a quarterly basis.

The Montana Lottery is attached to the Department of Administration for administrative purposes only.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	31.50	0.00	0.00	31.50	0.00	0.00	31.50
Personal Services	1,480,114	128,400	0	1,608,514	132,725	0	1,612,839
Operating Expenses	5,877,674	59,984	0	5,937,658	(35,474)	0	5,842,200
Equipment	42,256	0	0	42,256	0	0	42,256
Total Costs	\$7,400,044	\$188,384	\$0	\$7,588,428	\$97,251	\$0	\$7,497,295
Proprietary	7,400,044	188,384	0	7,588,428	97,251	0	7,497,295
Total Funds	\$7,400,044	\$188,384	\$0	\$7,588,428	\$97,251	\$0	\$7,497,295

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$3,493)	\$0
FY 2009	(\$2,955)	\$0

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,250	\$0
FY 2009	\$1,250	\$0

PL- 1501 - Commission Per Diem -

This is a base adjustment to restore zero-based per diem costs for the Lottery Commission's five members who meet at least every 3 months according to statute.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,000	\$0
FY 2009	\$14,000	\$0

PL- 1502 - Shipping Charges -

The Montana Lottery utilizes United Parcel Services (UPS) for secure shipment of Lottery scratch tickets to its retail customers. This service is necessary and sustains the secure shipment of scratch tickets from the Montana Lottery Security Warehouse to the retailer's location. This request is to cover the anticipated increase in the cost of this service in the next biennium.

Department Of Administration-6101
Montana State Lottery-15

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,600	\$0
FY 2009	\$11,400	\$0

PL- 1503 - Rent -

Rent will increase 12% each year of the biennium in the Peterson Building. The increase is \$7,600 in FY 2008 and \$11,400 in FY 2009, funded from Lottery proprietary funds.

Department Of Administration-6101 Health Care & Benefits Division-21

Please note that this program also contains proprietary funds (see section P).

Program Description - The Health Care and Benefits Division provides state employees, retirees, members of the legislature, and their dependents with group benefits in an efficient manner and at an affordable cost by administering a solvent, prudent benefits program. The division administers benefits plans including health, dental, prescription drug, life, long-term care, and vision coverage, flexible spending accounts, a sick leave fund, employee assistance services, health promotion, and a voluntary employee benefit health care expense trust. The division administers a lease and contract to provide daycare services for Helena area state employees. Finally, the division is responsible for the centralized oversight and management of workers' compensation related matters impacting the state as an employer.

Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Montana Safety Culture Act as it applies to state government is found in 39-71-1501 et seq.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	3.00	3.00	0.00	3.00	3.00
Personal Services	0	0	149,629	149,629	0	149,799	149,799
Operating Expenses	32,241	9,108	238,061	279,410	10,874	229,880	272,995
Total Costs	\$32,241	\$9,108	\$387,690	\$429,039	\$10,874	\$379,679	\$422,794
General Fund	0	0	387,690	387,690	0	379,679	379,679
State/Other Special	32,241	9,108	0	41,349	10,874	0	43,115
Total Funds	\$32,241	\$9,108	\$387,690	\$429,039	\$10,874	\$379,679	\$422,794

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,117	\$0
FY 2009	\$10,883	\$0

PL- 2108 - Daycare Pilot Program & Lease Rate -

The Health Care and Benefits Division requests state special revenue of \$9,117 in FY 2008 and \$10,883 in FY 2009 to cover the costs of increased rent for the state daycare.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$387,690	\$387,690
FY 2009	\$379,679	\$379,679

NP- 2111 - Centralize Workers' Compensation Cost Containment -

The Executive recommends general fund authority to provide a central location for oversight of workers' compensation cost containment efforts. Services will be provided that will implement loss prevention and return-to-work programs for all of state government. The centralization would necessitate hiring 3.00 FTE to provide the services of a program manager, an early-return-to-work manager, and a safety program coordinator. The FTE would be centralized in the Health Care and Benefits Division and would provide outreach services to individual agencies. This request includes funding for the 3.00 FTE and \$387,690 in FY 2008 and \$379,679 in FY 2009.

Department Of Administration-6101

State Personnel Division-23

Please note that this program also contains proprietary funds (see section P).

Program Description - The State Personnel Division provides state agencies with a variety of human resource management programs including professional development, position classification and salary administration, employee relations, appeals, and compliance with state and federal employment law. The state general fund is reimbursed for administrative costs of the State Personnel Division through the statewide cost allocation plan. The division publishes state rules, standards, and policies relating to recruitment, selection, diversity, discipline, grievance, performance appraisal, leave, and other personnel matters. The division administers eligibility for the various benefit plans including health, life, long-term care, dental, and vision insurance, accidental death and dismemberment, a sick leave fund, employee incentive awards, and flexible spending accounts. The division also is the process owner of the SABHRS HR enterprise system and through its Central Payroll Bureau prepares, maintains, and distributes payroll for all state employees.

The Human Resources Standards and Services Bureau functions are governed by 2-18-101 et seq.; 2-18-201 et seq.; 2-18-301 through 312; 2-18-601 et seq.; 2-18-809 through 2-18-820 2-18-1011 through 1013; 2-18-1101 et seq.; 2-18-1201 et seq.; 39-29-112; and 39-30-106MCA. The payroll unit is governed by 2-18-401et seq., MCA. Employee benefits are governed by 2-18-701 et seq., 2-18-801 et seq., 2-18-1101 et seq., 2-18-1301 et seq., and 33-2-712, MCA. The Professional Development Center is governed by 2-18-102 (1)(b), MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	15.53	0.75	0.00	16.28	0.75	0.00	16.28
Personal Services	670,041	200,692	0	870,733	203,182	0	873,223
Operating Expenses	182,056	244,653	0	426,709	45,794	0	227,850
Total Costs	\$852,097	\$445,345	\$0	\$1,297,442	\$248,976	\$0	\$1,101,073
General Fund	852,097	445,345	0	1,297,442	248,976	0	1,101,073
Total Funds	\$852,097	\$445,345	\$0	\$1,297,442	\$248,976	\$0	\$1,101,073

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,415	\$7,415
FY 2009	\$7,640	\$7,640

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$200,000
FY 2009	\$0	\$0

PL- 2301 - SABHRS Readiness Assessment (Biennial/OTO) -

Oracle recently acquired PeopleSoft. The new product is Oracle Fusion and will replace PeopleSoft. This one-time-only request of \$200,000 in FY 2008 is to review and evaluate the two products, and explore other options for the state's human resource system.

Department Of Administration-6101
State Personnel Division-23

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,500	\$27,500
FY 2009	\$27,500	\$27,500

PL- 2304 - Maintenance Agreement-eBenefits/Policy Module -

In conjunction with Health Care and Benefits Division, the SPD is acquiring a software license and services related to an electronic content interactive system. The purpose of this software is to provide on-line, self-service information in an interactive, customized fashion for benefit plan users. This type of software is designed to permit users to research and model specific situations and information regarding their benefit plans and how it applies to their specific situation. Periodic updates and maintenance of the system require users to pay an annual maintenance fee. The HCBF and SPD will each cover half of the anticipated annual maintenance cost of \$55,000.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$21,411)	(\$21,411)
FY 2009	(\$21,432)	(\$21,432)

PL- 2305 - Transfer 0.25 FTE Attorney to Labor Relations -

This request transfers 0.25 FTE attorney position from State Personnel Division to Office of Labor Relations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$45,378	\$45,378
FY 2009	\$42,744	\$42,744

PL- 2314 - HRSS Request for Additional 1.00 FTE -

The Special Task Force on State Pay has made recommendations that define a statewide pay philosophy, which include a single compensation system. One of the key elements for success of this major undertaking is the support provided by the State Personnel Division to the agencies. This request is to provide additional staff by reinstating 1.00 FTE that was cut by the 2005 legislature.

Department Of Administration-6101

State Tax Appeal Board-37

Program Description - The State Tax Appeal Board, established by Article VIII, Section 7, of the Montana Constitution and 15-2-101, MCA, provides a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards, primarily involving residential and commercial property valuation, and takes original jurisdiction in matters involving income taxes, corporate taxes, severance taxes, centrally-assessed property and new industry property, motor fuels taxes, vehicle taxes, and cabin site leases. The board travels throughout the state to hear appeals from decisions of the county tax appeal boards and to conduct informational meetings for the various county tax appeal boards. The State Tax Appeal Board directs the county tax appeal board secretaries, who are state employees, and pays their salaries and employee benefits from its personal services appropriation. The board also reviews and pays the expenses, including employee benefits, of those county tax appeal board secretaries who are county employees. In addition, the board pays the clerical-related expenses for all 56 county tax appeal boards, including supplies, postage, and copies, but excluding office equipment.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	6.50	0.00	1.00	7.50	0.00	1.00	7.50
Personal Services	257,249	25,766	47,823	330,838	26,519	47,864	331,632
Operating Expenses	54,069	7,668	0	61,737	9,327	0	63,396
Local Assistance	811	0	0	811	0	0	811
Total Costs	\$312,129	\$33,434	\$47,823	\$393,386	\$35,846	\$47,864	\$395,839
General Fund	312,129	33,434	47,823	393,386	35,846	47,864	395,839
Total Funds	\$312,129	\$33,434	\$47,823	\$393,386	\$35,846	\$47,864	\$395,839

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,846	\$1,846
FY 2009	\$1,937	\$1,937

PL- 311 - Allocate Department Indirect/Administrative Costs -

This request will fund changes in the department's indirect/administrative costs for services received from other proprietary funded centralized service functions of the agency.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$47,823	\$47,823
FY 2009	\$47,864	\$47,864

NP- 3701 - STAB 1.0 FTE -

The State Tax Appeal Board, which is administratively attached to the Department of Administration, is requesting to make permanent a modified 1.0 FTE for an administrative specialist position.

Montana Consensus Council-6106

MT Consensus Council-01

Mission Statement - The Montana Consensus Council shall promote fair, effective, and efficient processes for building agreement on natural resource and other public policy issues that are important to Montanans.

Statutory Authority - State mandates the Montana Consensus Council under MCA 2-15-1027.

Program Description - The Montana Consensus Council is a public organization that helps citizens and officials build agreement and resolve disputes on natural resource and other public policy issues. The Montana Consensus Council assists state agencies and private organizations with resolving workplace conflict and providing workplace hostility prevention training.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.50	0.00	0.00	2.50	0.00	0.00	2.50
Personal Services	114,484	35,596	0	150,080	36,612	0	151,096
Operating Expenses	38,974	3,054	0	42,028	3,113	0	42,087
Total Costs	\$153,458	\$38,650	\$0	\$192,108	\$39,725	\$0	\$193,183
General Fund	69,041	6,591	0	75,632	7,466	0	76,507
State/Other Special	84,417	32,059	0	116,476	32,259	0	116,676
Total Funds	\$153,458	\$38,650	\$0	\$192,108	\$39,725	\$0	\$193,183

Office Of Public Defender-6108

Mission Statement - The mission of the Office of the State Public Defender is to ensure equal access to justice for the state's indigent. The statewide public defender system, created by passage of The Montana Public Defender Act contained in Title 47, Montana Code Annotated, requires the new system to be operational by July 1, 2006.

The Public Defender Commission is responsible for the design, direction, and supervision of the new system. The Commission appoints the chief public defender, approves the strategic plan for the delivery of services, approves statewide standards for qualifications and training of public defenders, and approves the overall design of the new statewide system. The Act provides for a one-year transition period for these tasks to be completed.

Statutory Authority - Title 47

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	90.25	102.25	0.00	192.50	102.25	0.00	192.50
Personal Services	320,686	10,569,442	0	10,890,128	10,582,421	0	10,903,107
Operating Expenses	332,105	7,712,739	275,000	8,319,844	7,603,259	275,000	8,210,364
Equipment	60,653	0	0	60,653	0	0	60,653
Total Costs	\$713,444	\$18,282,181	\$275,000	\$19,270,625	\$18,185,680	\$275,000	\$19,174,124
General Fund	713,444	18,282,181	200,000	19,195,625	18,185,680	200,000	19,099,124
State/Other Special	0	0	75,000	75,000	0	75,000	75,000
Total Funds	\$713,444	\$18,282,181	\$275,000	\$19,270,625	\$18,185,680	\$275,000	\$19,174,124

Office Of Public Defender-6108

Public Defender Office-01

Program Description - The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be financially unable to retain private counsel and who is accused of an offense that could result in the person's loss of life or liberty if convicted. The office administers the statewide public defender system that is supervised by the Public Defender Commission. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	87.25	97.25	0.00	184.50	97.25	0.00	184.50
Personal Services	320,686	10,092,071	0	10,412,757	10,104,513	0	10,425,199
Operating Expenses	332,105	7,615,710	275,000	8,222,815	7,505,713	275,000	8,112,818
Equipment	60,653	0	0	60,653	0	0	60,653
Total Costs	\$713,444	\$17,707,781	\$275,000	\$18,696,225	\$17,610,226	\$275,000	\$18,598,670
General Fund	713,444	17,707,781	200,000	18,621,225	17,610,226	200,000	18,523,670
State/Other Special	0	0	75,000	75,000	0	75,000	75,000
Total Funds	\$713,444	\$17,707,781	\$275,000	\$18,696,225	\$17,610,226	\$275,000	\$18,598,670

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,712,693	\$10,712,693
FY 2009	\$10,658,642	\$10,658,642

PL- 101 - Office of Public Defender Funding Annualization -

This request will annualize funding for the newly created Office of the Public Defender for the 2009 Biennium. FY 2006 was a transition year with limited expenditures thus creating a substantially under funded base budget. On July 1, 2006 (FY 2007) the agency began operations by providing public defender services statewide. The Executive is requesting \$10,712,693 in FY 2008 and \$10,658,642 in FY 2009 of general fund authority to provide the Office of the Public Defender with essential operational funding. The request also includes the addition of 97.25 FTE to meet the long-range plan and mission of the Public Defender Commission which provides more defense services by state employed attorneys rather than by contracted attorneys.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,750,000	\$1,750,000
FY 2009	\$1,750,000	\$1,750,000

PL- 102 - Adjustment for Increase in Caseload -

This request is for \$1,750,000 general fund each fiscal year to fund the projected caseload increase in the 2009 biennium. This request is for a restricted appropriation that will only be used should the projected growth materialize.

**Office Of Public Defender-6108
Public Defender Office-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$200,000
FY 2009	\$200,000	\$200,000

NP- 104 - Fitness to Proceed and Related Costs -

Persons charged with a crime may need to be evaluated to assure the courts that they are 'fit to proceed' in the process. If a public defender requests an assessment, then the public defender system is responsible for the cost. These people are sent to Warm Springs or other medical facilities that can provide this assessment. The budget includes \$200,000 general fund each fiscal year to pay for these types of evaluations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,000	\$0
FY 2009	\$75,000	\$0

NP- 105 - Misc. State Special Revenue Funding -

The Executive is requesting state special revenue funding in the Office of the Public Defender to enable the office to expend any funds they may receive in the various accounts they have been directed to establish in the enabling legislation. These funds will account for court ordered sentencing costs, payment from youths, crime victims compensation funds, grants, gifts or donations. These funds will be used to offset costs associated with technology purchases and/or training needs. This request is for \$75,000 each year of the biennium.

Office Of Public Defender-6108 Appellate Defender Office-02

Program Description - The Appellate Defender Program provides appeal services for indigent citizens.

The Public Defender Commission is responsible for the design, direction and supervision of the statewide public defender system, which includes the appellate section. The chief public defender, who is appointed by the Commission, selects the chief appellate defender, who supervises attorneys and support staff within the appellate office.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	3.00	5.00	0.00	8.00	5.00	0.00	8.00
Personal Services	0	477,371	0	477,371	477,908	0	477,908
Operating Expenses	0	97,029	0	97,029	97,546	0	97,546
Total Costs	\$0	\$574,400	\$0	\$574,400	\$575,454	\$0	\$575,454
General Fund	0	574,400	0	574,400	575,454	0	575,454
Total Funds	\$0	\$574,400	\$0	\$574,400	\$575,454	\$0	\$575,454

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$374,857	\$374,857
FY 2009	\$375,684	\$375,684

PL- 101 - Appellate Defender Funding Annualization -

This request will annualize funding for the newly created Appellates Division of the Office of the Public Defender for the 2009 Biennium. The division was authorized by SB 146 passed by the 2005 Legislative session. On July 1, 2006 (FY 2007), the agency began operations by providing public defenders services statewide. The Executive is requesting \$374,857 in FY 2008 and \$375,684 in FY 2009 of general fund authority to provide the Appellate Division essential operational funding.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION B: PUBLIC HEALTH & HUMAN SERVICES

Department of Public Health & Human Services

OBPP Staff:

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x 1207



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Public Health & Human Services-6901

Mission Statement - Improving and Protecting the Health, Well-Being and Self-Reliance of All Montanans

Statutory Authority - Title 2-15-2201, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2,780.42	38.60	56.30	2,875.32	38.60	102.99	2,922.01
Personal Services	126,592,810	13,935,014	2,518,606	143,046,430	14,799,797	5,229,615	146,622,222
Operating Expenses	85,127,745	5,608,217	5,495,541	96,231,503	6,166,754	4,397,661	95,692,160
Equipment	501,698	34,001	215,000	750,699	34,001	145,000	680,699
Capital Outlay	53,007	0	450,000	503,007	0	0	53,007
Grants	58,784,995	1,776,175	7,357,012	67,918,182	1,776,175	7,092,783	67,653,953
Benefits & Claims	982,705,001	130,517,816	54,310,296	1,167,533,113	184,507,242	54,726,443	1,221,938,686
Debt Service	591,429	3,030	2,700	597,159	3,300	66,000	660,729
Total Costs	\$1,254,356,685	\$151,874,253	\$70,349,155	\$1,476,580,093	\$207,287,269	\$71,657,502	\$1,533,301,456
General Fund	307,876,614	46,534,288	20,780,851	375,191,753	61,211,606	22,593,751	391,681,971
State/Other Special	74,251,264	22,016,329	13,143,565	109,411,158	22,784,410	13,301,631	110,337,305
Federal Special	872,228,807	83,323,636	36,424,739	991,977,182	123,291,253	35,762,120	1,031,282,180
Total Funds	\$1,254,356,685	\$151,874,253	\$70,349,155	\$1,476,580,093	\$207,287,269	\$71,657,502	\$1,533,301,456

Major Issues

The top priority of the department in the coming biennium is to maintain its current programs in the face of increased costs for service delivery and several budget challenges. These include: 1) increasing caseload costs in the Medicaid program, which currently accounts for about half of the department's budget; 2) a reduction in federal matching money due to improvement in the state's economy; 3) reductions in funding of about \$7.5 million over the next biennium as a result of the federal Deficit Reduction Act; and 4) potential loss of federal funding for Children's Health Insurance Program as Congress considers the reauthorization the program, and at what level, in federal fiscal year 2007.

Medicaid

The main factor in the Department of Public Health and Human Services' budget is Medicaid costs. Medicaid is a shared federal/state program that provides health care to disabled and low income Montanans. Medicaid expenditures make up approximately 56% of the department's budget and 49% of the department's state funds spent. Factors driving the Medicaid growth in the 2009 biennium are: FMAP rate increases and increasing caseload costs.

FMAP is the Federal Medical Assistance Participation formula or the percentage of Medicaid costs paid by the federal government. The balance of these costs is paid by the state. The FMAP rate fluctuates from year to year. Recently, the state's rate has been growing from 29.46% in the base year (FY 2006) to 31.47% in FY 2008 and 31.62% in FY 2009. Increases in Medicaid costs due to these rate increases are accounted for in decision packages labeled "FMAP Adjustment."

Another factor that affects Medicaid costs is caseload utilization. Medicaid is an entitlement program, which means that all those eligible for the program receive benefits. The cost of Medicaid is determined by three factors: the number of eligible people served; the number of services provided; and the cost of services. Demographic trends and the cost of health care continue to grow with a resulting increase in Medicaid costs. Decision packages related to utilization growth have been labeled "Medicaid Caseload."

Public Health & Human Services-6901

The following table is a summary of Medicaid costs (in millions)

Medicaid Present Law General Fund Adjustments 2009 Biennium (in millions)	
Base Budget (Adjusted)	\$624.3
<u>Medicaid</u>	
FMAP Adjustments	27.8
Caseload Costs Increase	<u>49.0</u>
Subtotal	\$701.1
All Other Adjustments	34.0
2009 Biennial General Fund Budget	\$735.1

Public Health & Human Services-6901

Human And Community Services Division-02

Program Description - The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau administers Montana's Temporary Assistance to Needy Families (TANF) program. The bureau also provides eligibility services for Medicaid and Food Stamps.

The Early Childhood Services Bureau:

- Manages the funds which pay for child care for TANF participants and low-income working families;
- Contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment, and technical assistance;
- Administers the Child and Adult Care Food Program which provides reimbursement to child care providers for the cost of meals served to eligible children and adults; and
- Administers the Head Start State Collaboration grant.

The Intergovernmental Human Services Bureau administers:

- The Community Services block grant which is used by 10 Human Resource Development Councils to provide a wide range of community-based human services;
- The Low-Income Energy Assistance Program and Weatherization program;
- The DOE Weatherization program including funding for weatherization from three other sources;
- The Emergency Shelter grants program;
- The Housing Opportunities for Persons with AIDS grant; and
- Three USDA commodities programs. In addition, the bureau stores and distributes USDA commodity foods to elderly feeding sites, and stores USDA commodity foods for school lunch programs.

The Fiscal Services Bureau coordinates implementation and monitoring of the division's budget.

Statutory Authority - Title 53, Chapter 2, MCA, and 45 CFR.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Pounds of food delivered to Indian Reservations, elderly feeding sites, charitable organizations, and soup kitchens (in millions)	9	8	8	8	8	8
Number of low-income homes weatherized	1,638	1,400	1,181	1,200	1,200	1,200
Number of households provided with energy assistance	19,125	20,463	21,552	22,700	23,900	25,170
Achieve the all family work participation rate to qualify for the 75% state maintenance of effort	50%	100%*	100%*	50%	50%	50%
Achieve the two-parent work participation rate to qualify for the 75% state maintenance of effort	90%	100%*	100%*	90%	90%	90%
Number of low-income working families receiving child care assistance	5,600	6,113	6,294	6,400	6,700	6,700
Number of meals served by the Child & Adult Care Food Program	7,828,495	7,743,836	7,720,418	7,740,000	7,800,000	7,800,000

* - 100 % of the work participation rate was attained when the caseload reduction credit (CRC) was used for both the all family and two parent rates in 2005 and 2006. Without the CRC the work participation rate was 83.1% in 2005 and 79.7% in 2006 for the all family category. The work participation rate without the CRC for the two-parent category was 85.4% in 2005 and 85.7% in 2006.

Public Health & Human Services-6901

Human And Community Services Division-02

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	453.80	0.00	0.00	453.80	0.00	0.00	453.80
Personal Services	18,794,817	2,284,231	0	21,079,048	2,360,078	0	21,154,895
Operating Expenses	5,369,298	492,485	92,980	5,954,763	558,380	66,980	5,994,658
Equipment	44,506	0	0	44,506	0	0	44,506
Capital Outlay	53,007	0	0	53,007	0	0	53,007
Grants	18,836,204	122,250	200,000	19,158,454	122,250	200,000	19,158,454
Benefits & Claims	155,391,482	18,635,663	8,887,937	182,915,082	28,515,985	4,347,937	188,255,404
Debt Service	0	0	0	0	0	0	0
Total Costs	\$198,489,314	\$21,534,629	\$9,180,917	\$229,204,860	\$31,556,693	\$4,614,917	\$234,660,924
General Fund	26,272,234	3,258,864	2,400,017	31,931,115	4,038,933	395,457	30,706,624
State/Other Special	997,726	298,422	99,983	1,396,131	298,700	104,543	1,400,969
Federal Special	171,219,354	17,977,343	6,680,917	195,877,614	27,219,060	4,114,917	202,553,331
Total Funds	\$198,489,314	\$21,534,629	\$9,180,917	\$229,204,860	\$31,556,693	\$4,614,917	\$234,660,924

TANF

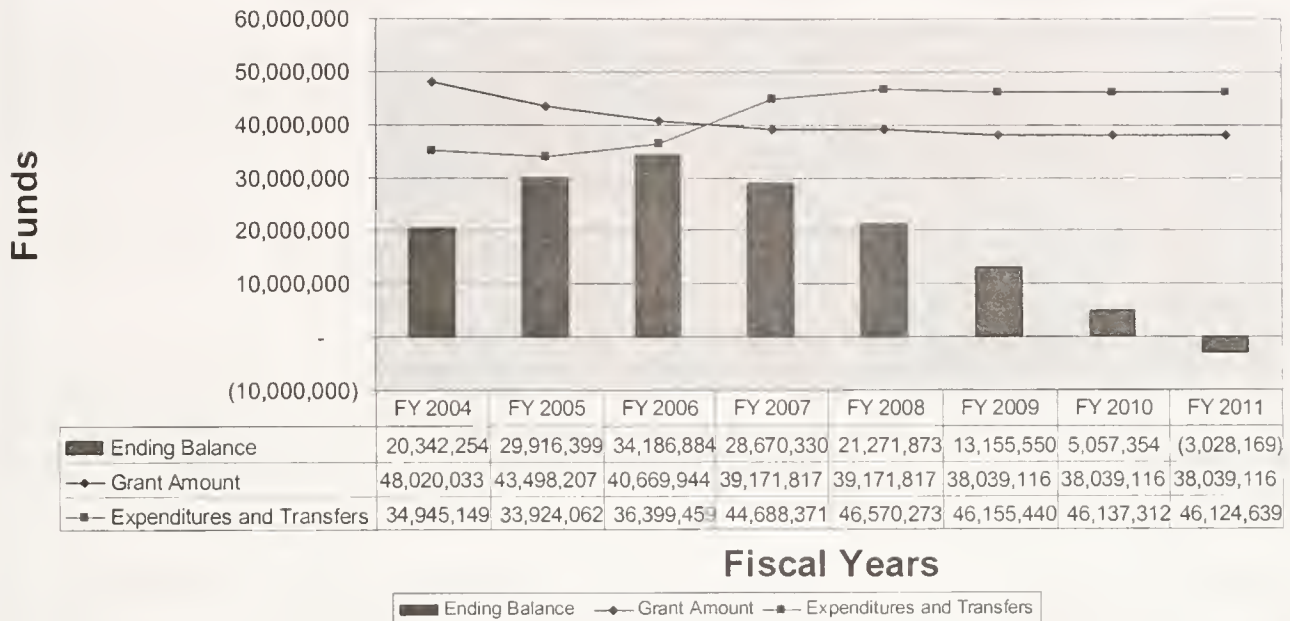
Temporary Assistance to Needy Families (TANF) is a federally funded program, like CHIP with a fixed dollar amount. An important goal for DPHHS is to balance the number of people TANF can serve in conjunction with the size of the benefit provided to families, while maintaining solvency for an extended period of time. The Administration is proposing that TANF recipients receive an increased cash benefit through a request to raise the standard benefit from 33% of 2005 federal poverty level to 33% of the estimated 2007 federal poverty level. TANF caseload has remained relatively stable throughout 2006.

Child care is another area of concern for TANF recipients. DPHHS is requesting funds to provide child care for working caretaker relatives. Relatives who are called upon to raise their TANF-eligible grandchildren, nieces or nephews, are often still working when they begin taking care of these children and cannot afford to leave employment to care for these children. Many states use TANF funds to cover the TANF-eligible child's basic needs (child only grant) as well as the related child care costs in order to allow the caretaker to continue employment. By doing so, it encourages extended families to care for children who otherwise may end up in the child welfare system, in foster care, or without adequate care.

Additionally, a restructure of the Blackfeet Tribal TANF plan is underway to assist the tribe in remaining solvent by renegotiating the population being served. The state will assume coverage for the cases no longer maintained by the Tribal TANF plan and will relinquish the associated general fund/MOE.

**Public Health & Human Services-6901
Human And Community Services Division-02**

TANF Forecast



-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,919,645	\$0
FY 2009	\$2,919,645	\$0

PL- 20005 - Intergovernmental Human Services Bureau PL Adj -

The department is requesting to increase spending authority by \$237,624 per year for the Universal Systems Benefits state special revenue fund and by \$2,682,021 per year for seven federally funded grants. The increase includes authority for truck driver overtime in two of the grants because this expenditure was removed from the base.

The Intergovernmental Human Service Bureau (IHSB) administers federal grants and local donations providing low-income persons with energy assistance, weatherization, emergency shelter, housing assistance for persons with AIDS, and commodity food distribution. IHSB also administers a federal grant to provide communities with the resources to devise local solutions to problems of poverty. IHSB requested budget amendments for three of these grants, BPA, LIEAP, and FDIPIR in the previous biennium. Expenditures are expected to increase for the other grants. Ten Human Resource Development Council's (HRDC's), eight area agencies on aging, four food banks, two AIDS councils, two out of state agencies, and several tribes are contracted to assist in the local administration of these programs. All seven tribes receive services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$408,705	\$189,272
FY 2009	\$470,168	\$218,089

PL- 20008 - HCSD Rental Increases for Adm. and County OPA's -

The Department is requesting \$878,873 of cost-allocated spending authority, including \$407,361 of general fund, associated with the rental increases in the Offices of Public Assistance (OPA) and HCSD Administration. The Offices of Public Assistance and HCSD Administration do not fall within the scope of fixed costs adjusted annually by the Department of Administration for buildings owned by the state.

Public Health & Human Services-6901

Human And Community Services Division-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$400,000	\$0
FY 2009	\$606,000	\$0

PL- 20009 - Child & Adult Care Food Program Historical PL -

The Child and Adult Care Food Program (CACFP) is requesting additional federal authority in the amount of \$400,000 for FY 2008 and \$606,000 for FY 2009. These amounts reflect the anticipated 2.4% historical increase in program reimbursement rates. The purpose of this USDA entitlement program is to support nutritional services in care settings through regulation and reimbursement to adult and childcare organizations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,006,171	\$0
FY 2009	\$2,006,171	\$0

PL- 20012 - Child Care Discretionary Present Law Adj -

Federal authority in the amount of \$2,006,171 for each year of the biennium is requested to enable Child Care to receive a Temporary Assistance to Needy Families (TANF) funding transfer into the Discretionary funds of the Child Care Development Fund (CCDF). This amount is above the base expenditures of approximately \$5.5M. The CCDF is a combination of State and Federal dollars used for various activities focused on the creation and maintenance of a system of high quality, affordable and accessible child care.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,741,650	\$1,741,650
FY 2009	\$2,428,000	\$2,428,000

PL- 20016 - Child Care FPI, Market Rate, Caseload Inc -

Early Childhood Services Bureau (ECSB) is requesting \$180,000 in SFY 2008 and \$187,000 in SFY 2009 to support the annual updating of the Federal Poverty Index, plus \$602,000 in FY 2008 and \$679,000 in FY 2009 general fund authority above the FY 2006 base to maintain child care reimbursement rates for parents at the 75th percentile of an annual Market Rate Survey. ECSB is also requesting \$959,650 in FY 2008 and \$1,562,000 in FY 2009 to support a case load increase to support low income working parents.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,810,409	\$0
FY 2009	\$20,798,381	\$0

PL- 20019 - Food Stamp Benefits -

This present law adjustment requests \$32,608,790 federal appropriation authority for the biennium to fund the anticipated caseload and poverty level adjustments. From July 2001 to June 2006, the food stamp benefit cases have increased from 27,120 cases per month to 35,450 cases per month. This is a 30.72% increase. Projections are expected to continue this trend.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$966,000	\$0
FY 2009	\$0	\$0

NP- 20002 - Tri-state housing grant for people with AIDS-Biennial -

This request is to establish a biennial appropriation of \$966,000 of federal funds for the Housing Opportunities for Persons with AIDS (HOPWA) Tri State HELP (Housing Environments for Living Positively) Plus Grant received from U.S. Department of Housing and Urban Development (HUD). This grant is the second HOPWA grant received by DPHHS.

Public Health & Human Services-6901

Human And Community Services Division-02

Total Agency Impact General Fund Total

FY 2008 \$66,980 \$0

FY 2009 \$66,980 \$0

NP- 20004 - Homeless Management Information Syst (HMIS) grant -

This request is to establish a federal appropriation of \$66,880 per year for the Homeless Management Information System (HMIS) grant originally received in June of 2004 from U.S. Department of Housing & Urban Development (HUD). The initial grant was for DPHHS to meet a federal mandate requiring recipients of federal McKinney-Vento Homeless Assistance Act funding to use an information system for data collection.

Total Agency Impact General Fund Total

FY 2008 \$683,784 \$0

FY 2009 \$683,784 \$0

NP- 20006 - Childcare for Working Caretaker Relative -

This new proposal requests \$1,367,568 of spending authority for the 2009 biennium to provide child care for working caretaker relatives of children eligible for the TANF child-only grant. Many grandparents and other caretaker relatives are caring for minor grandchildren, nieces or nephews and this request will assist them in their efforts.

Total Agency Impact General Fund Total

FY 2008 \$300,000 \$300,000

FY 2009 \$300,000 \$300,000

NP- 20011 - Ombudsman Funding-Warm Hearts/Homes-OTO -

The Department requests a one-time-only general fund appropriation of \$300,000 per year (\$600,000 over the biennium) for the Energy Ombudsman program, which was approved by the 2005 Legislature. These dollars may be used to fund case management staff at human resource development councils (HRDC's), who aid people needing emergency energy assistance. Case managers provide services to identify and address emergency heating situations and encourage recipients to reduce their home energy burdens, while becoming energy self sufficient. Funds may also be used for the cost of installation and low-cost/no-cost weatherization materials for the Warm Hearts/Warm Homes program.

Total Agency Impact General Fund Total

FY 2008 \$2,228,983 \$0

FY 2009 \$2,228,983 \$0

NP- 20020 - TANF Cash Benefit Increase -

The executive is requesting \$4,457,966 for the biennium of federal authority to increase TANF cash benefits. The increase will raise the cash benefit standard from 33% of the 2005 federal poverty level to 33% of the estimated 2007 federal poverty level. The TANF case load has remained fairly stable in SFY 2006 and an average case load of 3,782 cases was used to project the cost of this increase.

Total Agency Impact General Fund Total

FY 2008 \$200,000 \$200,000

FY 2009 \$200,000 \$200,000

NP- 20022 - Individual Development Account (IDA) Biennial Approp -

This is a request for a biennial appropriation of \$400,000 in general fund to provide the required non-federal cash match for Individual Development Accounts (IDA's) established through the Family Assets for Independence (AFI) program. The Administration for Children and Families, Office of Community Services (OCS) has a standing announcement and will accept applications for financial assistance to establish and administer IDA/AFI Projects.

Public Health & Human Services-6901

Human And Community Services Division-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,135,170	\$0
FY 2009	\$1,135,170	\$0

NP- 20023 - Restructuring Blackfeet Tribal Plan -

The executive is requesting \$2,270,340 of federal authority for the 2009 biennium to support the restructuring of the Blackfeet Tribal TANF plan. This funding will support an estimated caseload of 293 cases that would be assumed by the state's TANF program. The funding would also allow the state to contract back with the Blackfeet tribe for the Tribal NEW contract. This contract would support 196 cases.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	(\$99,983)
FY 2009	\$0	(\$104,543)

NP- 20907 - Child Care Funding Swap for PSF -

The department is requesting a funding swap resulting in an increase of \$99,983 in state special revenue authority to the Prevention and Stabilization Fund (PSF) in SFY 2008 and a similar increase in SFY 2009 of \$104,583. A commensurate decrease in general fund is requested to maintain the total authority of \$1,033,312 for Child Care for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,000,000	\$2,000,000
FY 2009	\$0	\$0

NP- 20908 - Low Income Energy Assistance Program OTO -

The department is requesting one time only biennial authority for \$2,000,000 of state general fund to be used to supplement low-income energy assistance benefits for approximately 22,700 households including residents of the Crow reservation. For the other six reservations, the federal LIEAP set aside is 17.4806%, so \$349,612 of this funding will be contracted to those tribes that administer their own federal LIEAP programs.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,600,000	\$0
FY 2009	\$0	\$0

NP- 20001 - Energy Assist/Conservation-Biennial-OTO -

The Department requests a One-Time-Only biennial appropriation of \$1,600,000 to use the energy conservation and energy assistance federal special revenue accounts for low-income energy assistance or low-income weatherization. The 1987 Legislature (HB 621) established the federal special revenue funds for the energy conservation and energy assistance accounts when the department received cash distributions. 90-4-215 MCA is the enabling legislation; however, it contains a clause restricting the use of the principal in the funds to a time when either weatherization or energy assistance grants fall below the 1987 funding levels.

Language Recommendations - DP 20001 - Energy Assistance/Conservation is contingent upon the passage of legislation, LC0474, which would eliminate the prohibition in 90-4-215 MCA that prevents the department from using the principal from federal special revenue funds to increase expenditures above the level of the federal grant in fiscal year 1987. This will enable the department to expend the funds for low-income weatherization and low-income energy assistance at a time when energy costs are at an all time high.

Public Health & Human Services-6901

Child & Family Services Division-03

Program Description - The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFSD is composed of three bureaus and five regional offices that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) computer system.

Statutory Authority - Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

Program Indicators --

Indicator	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Total Number of Children in Out of Home Care at some time throughout the year (unduplicated)	2,834	3,030 (est)	3,121	3,215	3,311	3,410
Total Number of Children Entering Care	1,383	1,515	1,800	1,950	1,900	1,850
Total Number of Children Exiting Care	1,194	1,409	18,92	1,920	1,870	1,820
Finalized Subsidized Adoption Caseload	1,519	1,663	1,763	1,921	2,071	2,215
Average Number of Placements per Child per year.	3.95	3.74	3.66	3.64	3.6	3.5
Total # of Families served by In-Home Services Programs	1,437	1,233	1,412	1,440	1,469	1,528
Average length of time (number of days) children remain in out of home placements	845	813	789	769	749	729
Permanent Placements	534	617	640	670	700	730
Use of extended families for kinship placement	489	549	577	592	607	622

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	351.45	0.00	19.00	370.45	0.00	24.00	375.45
Personal Services	15,515,496	1,482,593	822,573	17,820,662	1,530,817	1,038,717	18,085,030
Operating Expenses	4,189,701	575,586	86,525	4,851,812	640,393	106,000	4,936,094
Equipment	0	87,121	0	87,121	87,121	0	87,121
Grants	6,486,919	0	0	6,486,919	0	0	6,486,919
Benefits & Claims	28,991,714	5,416,953	1,002,527	35,411,194	8,905,309	1,002,527	38,899,550
Debt Service	84,834	0	0	84,834	0	0	84,834
Total Costs	\$55,268,664	\$7,562,253	\$1,911,625	\$64,742,542	\$11,163,640	\$2,147,244	\$68,579,548
General Fund	25,173,114	4,493,483	2,988,923	32,655,520	6,632,102	3,130,261	34,935,477
State/Other Special	2,126,337	(6)	266,787	2,393,118	(5)	266,787	2,393,119
Federal Special	27,969,213	3,068,776	(1,344,085)	29,693,904	4,531,543	(1,249,804)	31,250,952
Total Funds	\$55,268,664	\$7,562,253	\$1,911,625	\$64,742,542	\$11,163,640	\$2,147,244	\$68,579,548

**Public Health & Human Services-6901
Child & Family Services Division-03**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,089,565	\$2,070,009
FY 2009	\$5,391,789	\$3,612,499

PL- 30001 - Foster Care Caseload Increase -

Foster care caseload is expected to increase over the next biennium. This budget request seeks \$5,682,508 in general fund and \$2,798,847 in federal funds for the 2009 Biennium. Along with increased caseload, the department is experiencing more managerial demands as cases become more complex due to substance abuse, particularly methamphetamine, playing a greater role in child abuse and neglect cases.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,327,388	\$879,753
FY 2009	\$3,513,520	\$1,328,111

PL- 30002 - Subsidized Adoption Caseload Increase -

Subsidized adoption caseload and average daily rates paid to adoptive parents are expected to increase over the next biennium. The number of new adoptions will exceed the number of children who age out of the program. In addition, the rates negotiated for new adoptions are greater than the rates paid for the old subsidy payments that are expiring. This request seeks \$2,207,864 in general funds and \$1,956,053 in federal funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$383,116
FY 2009	\$0	\$467,670

PL- 30004 - FMAP Changes -

The Child and Family Services Division is requesting \$850,786 in general fund and (\$850,786) in federal funds for the 2009 biennium to address changes in the FMAP rate for both the Foster Care and Subsidized Adoption Programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$187,500
FY 2009	\$250,000	\$187,500

PL- 30005 - Mental Health Case Management-SW Caseload Increase -

Child and Family Services Division is requesting \$375,000 general fund and \$125,000 federal funds for mental health case management in the 2009 biennium. The Deficit Reduction Act is expected to reduce the allowable case management services eligible for reimbursement for children in Foster Care. This request seeks to provide case management funding through contracts with non-profit entities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$206,859	\$124,021
FY 2009	\$206,859	\$124,021

PL- 30006 - CFSD Overtime -

The Child and Family Services Division is requesting \$248,042 in general fund and \$165,676 in federal funds for the 2009 biennium for overtime compensation.

**Public Health & Human Services-6901
Child & Family Services Division-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$198,038	\$118,823
FY 2009	\$250,563	\$150,338

PL- 30007 - CFSD Rent Increases -

Rent Increases for Child and Family Services includes \$269,161 of general fund and \$179,440 in federal funds for the 2009 biennium. These increases are primarily a result of increases charged by landlords and by the addition of more office space in a few locations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$87,121	\$52,273
FY 2009	\$87,121	\$52,273

PL- 30016 - Replacement computers/servers and other equipment -

This request is for funding to replace 320 desktop computers in the Child and Family Services Division, as well as three file servers in local offices that need to be replaced. In addition, two copy machines need to be replaced. This request includes \$104,546 in general fund and \$69,696 in federal funds for the 2009 biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$1,800,000
FY 2009	\$0	\$1,800,000

NP- 30003 - Federal Law Change - TCM -

This request seeks to add \$3.6 million of general fund to the Child and Family Services Division operating budget and to reduce the federal funds by an equal amount for the 2009 biennium. This action is necessary as a result of the Deficit Reduction Act.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$86,000
FY 2009	\$0	\$86,000

NP- 30008 - Federal Law change regarding kin care providers -

The Child and Family Services Division is requesting \$86,000 in general funds over the biennium due to the loss of federal reimbursement for kinship care as a result of the Deficit Reduction Act.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$745,268	\$447,161
FY 2009	\$980,721	\$588,433

NP- 30010 - Additional Field Staff -

In order to address the "social worker to number of caseload" ratio issue, the Child and Family Services Division is requesting 15.00 FTE in FY2008 and an additional 5.00 FTEs in FY 2009 as field staff. This request is for \$1,035,594 in general funds and \$690,395 in federal funds over the biennium.

Public Health & Human Services-6901

Child & Family Services Division-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$88,116	(\$202,260)
FY 2009	\$88,206	(\$202,194)

NP- 30014 - Expansion of SSI Program -

The Child and Family Services Division (CFSD) is requesting that two modified positions be made permanent in order to address immediate and on-going caseload growth. It is expected that this request will provide a \$202,000 savings in general fund in the Foster Care program for each year of the biennium. This request is for (\$404,454) general fund, \$533,574 state special funds and \$47,202 federal funds for the 2009 Biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,685	(\$27,601)
FY 2009	\$2,761	(\$27,601)

NP- 30015 - Convert Modified In-home FTE to permanent -

This request is to convert 2.00 modified FTE, positions into permanent positions to address the needs of In-Home Services for five counties. This request is for (\$55,202) general fund and \$60,648 federal funds for the 2009 Biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$575,556	\$385,623
FY 2009	\$575,556	\$385,623

NP- 30501 - Provider Rate Increases -

This decision package requests increases for provider rates by 2.5% for the biennium. Total funds requested are \$1,151,112 with \$771,246 general funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$500,000
FY 2009	\$500,000	\$500,000

NP- 30903 - Therapeutic group Homes/Family Foster Care -

This decision package requests \$1,000,000 general funds over the biennium to provide funding for anticipated changes in federal Medicaid policy.

Language Recommendations - DP 30005 Mental Health Case Management - Child and Family Service Division is requesting \$250,000 each year of the biennium for mental health case management services. This request is contingent upon anticipated revisions to Centers for Medicare & Medicaid Services (CMS) federal regulations, which would disallow reimbursement for certain case management services for children in foster care. DPHHS would need to provide case management services through contracts with non-profit entities. It is estimated that \$375,000 general fund would be needed in the biennium.

Public Health & Human Services-6901

Director's Office-04

Program Description - Program Description - The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are the Deputy Director, state Medicaid director, legal affairs, personnel services, public information, the prevention resource center, the AmeriCorps*VISTA Program, the Office of Budget and Finance, and the Office of Planning, Coordination, and Analysis. The Department of Public Health and Human Services Statewide Advisory Council, the Native American Advisory Council, and the Montana Health Coalition are administratively attached and the director serves on the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

Statutory Authority - Title 2, Chapter 15, part 22 and Title 53, Chapter 19, part 3, MCA.

Program Indicators –

Human Resources

	Actuals SFY 2002	Actuals SFY 2003	Actuals SFY 2004	Actuals SFY 2005	Actuals SFY 2006	Projected SFY 2007	Projected SFY 2008	Projected SFY 2009
Number of FTE	2,787.98	2,812.48	2,793.92	2,787.83	2,829.17	2,861.11	2,845.23	2,853.23
Number of Employee's	3,084	2,983	2,896	2,891	2,868	2,900	2,900	2,900
Number of New Hire's *	261	179	273	325	336	350	370	398
Number of Classification Reviews	141	91	143	174	182	250	250	200
Workers Comp Claims Processed **	741	670	651	829	908	915	920	930
ERTW Coordinated Claims ***	72	59	36	55	57	60	60	60
Threat Reports received	47	25	33	39	30	30	30	30
Trainings (Safety, Policy, New Employee)	415	345	366	620	778	700	700	700

SFY2003 new Hire's – DPHHS was under a state wide hiring freeze during this year

- 1 DOLI is enforcing the six day First Report rule so claims that previously weren't reported because it was assumed they would not result in a claim will now be reported even if they do not result in a claim
- 2 Early Return To Work coordinated claims have significantly decreased due to work place training and safety efforts of the ERTW program
- 3 Number of FTE for FY2000 through FY2006 includes only HB2 regular and HB2 modified. FY2007 is estimated based on FY2006 actual. FY2008 and FY2009 are total agency FTE count in MBARS.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	48.25	1.00	0.00	49.25	1.00	0.00	49.25
Personal Services	3,461,121	(296,723)	0	3,164,398	(287,011)	0	3,174,110
Operating Expenses	6,540,475	27,600	700,000	7,268,075	44,850	(100,000)	6,485,325
Benefits & Claims	0	15,000,000	0	15,000,000	15,000,000	0	15,000,000
Debt Service	13,066	0	0	13,066	0	0	13,066
Total Costs	\$10,014,662	\$14,730,877	\$700,000	\$25,445,539	\$14,757,839	(\$100,000)	\$24,672,501
General Fund	3,095,543	(177,526)	150,000	3,068,017	(167,044)	(50,000)	2,878,499
State/Other Special	353,583	(40,340)	0	313,243	(38,335)	0	315,248
Federal Special	6,565,536	14,948,743	550,000	22,064,279	14,963,218	(50,000)	21,478,754
Total Funds	\$10,014,662	\$14,730,877	\$700,000	\$25,445,539	\$14,757,839	(\$100,000)	\$24,672,501

**Public Health & Human Services-6901
Director's Office-04**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,027,480	\$0
FY 2009	\$15,027,554	\$0

PL- 40006 - Health Insurance Flexibility Accountability Waiver -

This request is for \$30, 055, 034, in federal funds over the biennium for the implementation and provision of services related to the Health Insurance Flexibility Accountability (HIFA) Waiver.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$800,000	\$200,000
FY 2009	\$0	\$0

NP- 40004 - MMIS and Mental Health Information Systems Analysis (BIEN/OTO) -

This request is for one-time-only funds of \$800,000 total dollars, \$200,000 general funds, in FY 2008 to analyze the current Medicaid Management Information System and the Mental Health System and make recommendations for improvement or rewrite of the systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$100,000)	(\$50,000)
FY 2009	(\$100,000)	(\$50,000)

NP- 40010 - Agency Telecommunications -

This decision package requests a reduction of \$200,000 over the biennium, of which \$100,000 is general funds, for expected savings to the Department of Public Health and Human Services for cost savings generated by the use of video conferencing technologies.

Public Health & Human Services-6901 Child Support Enforcement Division-05

Program Description - The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligated parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance and those not on assistance. Services are available to any applicant regardless of income level.

Activities carried out by program staff are authorized in Title 40, Chapter 5, MCA, and are mandated by the federal government in accordance with Title IV-D of the Social Security Act, 42 USC 651 et seq., and 45 CFR, Chapter 3.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Percent of cases in enforcement	84%	87%	89%	89%	89%	89%
Child Support Collections	54,322,737	55,109,009	58,306,715	59,000,000	60,000,000	61,000,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	168.25	0.00	0.00	168.25	0.00	0.00	168.25
Personal Services	7,638,628	425,946	0	8,064,574	459,688	0	8,098,316
Operating Expenses	2,155,234	(21,870)	187,025	2,320,389	(11,609)	187,025	2,330,650
Equipment	5,700	0	0	5,700	0	0	5,700
Total Costs	\$9,799,562	\$404,076	\$187,025	\$10,390,663	\$448,079	\$187,025	\$10,434,666
General Fund	1,548,902	92,851	1,907,508	3,549,261	101,175	2,444,396	4,094,473
State/Other Special	1,770,665	56,820	(99,718)	1,727,767	63,456	(102,782)	1,731,339
Federal Special	6,479,995	254,405	(1,620,765)	5,113,635	283,448	(2,154,589)	4,608,854
Total Funds	\$9,799,562	\$404,076	\$187,025	\$10,390,663	\$448,079	\$187,025	\$10,434,666

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$110,842	\$37,686
FY 2009	\$120,232	\$40,879

PL- 50004 - Child Support Enforcement Rent Increase -

Funding is for inflationary increases in rent for division office space. The total request is for \$231,074 over the biennium, consisting of \$78,565 in general fund and \$152,509 in federal funds.

Public Health & Human Services-6901

Child Support Enforcement Division-05

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$99,718
FY 2009	\$0	\$102,782

NP- 50001 - Child Support Enforcement General Fund -

This is a request for general fund authority for \$99,718 in FY 2008 and \$102,782 in FY 2009 with a corresponding decrease in state special revenue authority in each year. This request is a result of a funding shift as state special revenues are not anticipated to be sufficient to pay all the expected inflationary increases in personal services and operating expenses for the division. The Child Support Enforcement Division provides assistance to families in need of financial and medical support through the enforcement of administrative and judicial child support orders. As a result of these efforts, there are presently 14,583 children within CSED caseload enrolled in private health care coverage. By securing this private coverage, it is anticipated that the state of Montana realizes a substantial cost avoidance savings in Medicaid expenditures. In SFY 06, reported savings were \$4,623,528.21.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$1,620,765
FY 2009	\$0	\$2,154,589

NP- 50002 - Child Support Deficit Reduction Act -

Due to the federal Deficit Reduction Act, a funding switch from federal funds to general fund is needed to cover the loss in incentive match funds and the change in federal financial participation for paternity testing. This request will decrease federal funds by \$1,620,765 in FY 2008 and \$2,154,589 in FY 2009; and increase general fund by the same amounts in each year respectively.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$187,025	\$187,025
FY 2009	\$187,025	\$187,025

NP- 50005 - CSED - Replacement of DRA Fee -

This is a budget request for \$187,025 in general fund in FY 08 and \$187,025 in general fund in FY 09 to meet the federal Deficit Reduction Act requirement that Child Support Enforcement participate in the collection and distribution (66%) to the federal government of an annual \$25 fee to be collected from non-TANF clients.

Public Health & Human Services-6901 Business & Financial Services Division-06

Program Description - Business and Financial Services Division (BFSD) provides support services for the department, including financial and accounting oversight, cash management, preparation and filing of federal reports, purchasing supplies and equipment, payroll processing, audit coordination, lease management, mail handling, management of vital records and statistics, property management, and records management. BFSD also provides leadership and guidance in the development and implementation of accounting policies and procedures and best business practices.

The division's funding is a complex mixture of state and federal funds determined by ratios associated with total departmental funding. Approximately 50% of the funding comes from federal sources.

Statutory Authority - is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92, Subpart C92.2, and Title 50 Chapter 15 MCA.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Total number of payments processed *	530,273	530,012	539,093	540,000	540,000	540,000
Reimbursement Collections	\$23,496,513	20,541,677	20,408,842	21,080,451	21,080,451	21,080,451
Reimbursement Claims Processed **	15,493	16,525	16,825	16,825	16,825	16,825
Number of Accountable Grants/Funds	166	174	158	170	170	170
Birth / Death Certificates Issued On-Line	75,290	83,061	136,230	140,000	150,000	150,000
Non General Fund Recovered via Indirect Cost Recoveries	46,584,930	45,352,884	48,149,631	49,594,120	51,081,943	52,614,402

* Total number of payments processed – The department has implemented the electronic processing of TANF and Child Support payments and implemented the PERQS, Travel and Contracts Subsystems that consolidate vendor payments, reducing the number of client warrants issued.

** Reimbursement claims processed – the reduction reflects the closure of Eastmont and a population reduction at Montana Mental Health Nursing Care Center.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	76.50	0.00	0.00	76.50	0.00	0.00	76.50
Personal Services	3,176,444	389,003	0	3,565,447	399,009	0	3,575,453
Operating Expenses	5,234,268	262,648	0	5,496,916	(115,165)	0	5,119,103
Equipment	0	0	0	0	0	0	0
Debt Service	67,714	0	0	67,714	0	0	67,714
Total Costs	\$8,478,426	\$651,651	\$0	\$9,130,077	\$283,844	\$0	\$8,762,270
General Fund	3,639,824	121,093	0	3,760,917	(34,964)	0	3,604,860
State/Other Special	865,080	50,951	0	916,031	41,230	0	906,310
Federal Special	3,973,522	479,607	0	4,453,129	277,578	0	4,251,100
Total Funds	\$8,478,426	\$651,651	\$0	\$9,130,077	\$283,844	\$0	\$8,762,270

Public Health & Human Services-6901

Public Health & Safety Division-07

Program Description - Program Description - The purpose of the Public Health and Safety Division (PHSD) is to improve and protect the health and safety of Montanans. The division provides a wide range of preventive, emergency preparedness, and other public health services to individuals and communities. Services are provided through nearly 500 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals and other community-based organizations. Programs administered by the division include, but are not limited to:

- Clinical and environmental laboratory services;
- Women's, Infants and Children's Special Nutrition Program (WIC);
- Maternal and Child Public Health Services;
- Immunization Programs;
- STD/HIV prevention;
- Food and Consumer Safety;
- Emergency Medical Services;
- Family Planning;
- Chronic and communicable disease prevention; and
- Public health emergency preparedness.

Statutory Authority - Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Maternal and Child Health Title 50, Chapter 1 and Chapter 19, MCA, and Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7CFR part 246

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of clients served by WIC Program	21,545	21,760	21,640	21,748	22,225	22,800
Net Food Costs for WIC	\$9,708,177	\$10,444,385	\$10,444,385	\$12,784,496	\$13,250,000	\$13,750,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	176.01	0.00	4.00	180.01	0.00	5.00	181.01
Personal Services	7,959,560	1,408,699	241,036	9,609,295	1,441,404	303,872	9,704,836
Operating Expenses	13,328,288	168,296	799,944	14,296,528	198,745	537,420	14,064,453
Equipment	248,562	0	145,000	393,562	0	145,000	393,562
Grants	18,938,279	1,653,925	1,713,100	22,305,304	1,653,925	2,048,100	22,640,304
Benefits & Claims	12,090,717	(242,559)	638,000	12,486,158	(242,559)	520,000	12,368,158
Total Costs	\$52,565,406	\$2,988,361	\$3,537,080	\$59,090,847	\$3,051,515	\$3,554,392	\$59,171,313
General Fund	2,046,941	91,225	778,000	2,916,166	95,709	295,000	2,437,650
State/Other Special	11,123,452	252,612	2,250,000	13,626,064	269,944	2,750,000	14,143,396
Federal Special	39,395,013	2,644,524	509,080	42,548,617	2,685,862	509,392	42,590,267
Total Funds	\$52,565,406	\$2,988,361	\$3,537,080	\$59,090,847	\$3,051,515	\$3,554,392	\$59,171,313

Public Health & Human Services-6901
Public Health & Safety Division-07

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$130,000	\$0
FY 2009	\$130,000	\$0

PL- 70011 - Increase Spending Authority for Laboratory -

This request is for \$130,000 for each year of biennium in state special revenue spending authority to meet projected increases in the DPHHS laboratory supply expenses. The number of tests performed by the Laboratory Services Bureau is expected to increase from 135,460 tests in FY05 to an estimated 145,000 tests in FY06.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,800,000	\$0
FY 2009	\$1,800,000	\$0

PL- 70015 - Public Health Emergency Preparedness -

This present law adjustment request is for \$1,800,000 per year of the biennium for federal spending authority for Montana to prepare and respond to a pandemic flu event.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,000	\$0
FY 2009	\$40,000	\$0

PL- 70018 - BRFSS Spending Authority Increase -

An increase in federal authority of \$40,000 for each year of biennium is requested for Behavioral Risk Factor Surveillance System (BRFSS). This authority is being requested to balance the base with the expected grant award.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$112,000	\$0
FY 2009	\$112,000	\$0

PL- 70021 - Montana Comprehensive Cancer Control Program MCCCCP -

An increase in federal authority of \$112,000 for each year of biennium is requested for Montana Comprehensive Cancer Control Program (MCCCCP). This authority is being requested to bring the base in line with the expected grant award. This program is responsible for maintaining a comprehensive cancer control program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$65,000	\$0
FY 2009	\$65,000	\$0

PL- 70023 - BRFSS-02 Fee Account Continued Spending Authority -

This present law adjustment request is for \$65,000 in state special revenue for each year of the biennium for Behavioral Risk Factor Surveillance System (BRFSS) Fee account. When a program requests the addition of new items to the BRFSS survey, fees are collected to help support some of the state effort for the collaborative agreement with CDC/BSB.

**Public Health & Human Services-6901
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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$430,563)	\$0
FY 2009	(\$429,760)	\$0

PL- 70101 - Reduce Budget for Environmental Pub Hlth Tracking -

A reduction in federal authority to the base budget of (\$430,000) is requested for each year of the biennium for Environmental Public Health Tracking. Montana was not granted funds for the implementation phase of the program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$242,559)	\$0
FY 2009	(\$242,559)	\$0

PL- 70104 - Reduce Base Level Funding For Genetics Program -

This request is to reduce the base level expenditure by (\$242,559) in state special revenue spending authority for each year of the biennium. The fee on insurance premiums to support the Montana Genetics Program would revert back to \$.70 effective July 1, 2007. The fee was \$1.00 during the 2007 biennium and will be \$.70 under current law.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$145,000	\$145,000
FY 2009	\$145,000	\$145,000

NP- 70002 - Ongoing Lab Equipment Replace & Maintenance OTO -

This one-time-only request is for an increase of \$145,000 in general funds for each year of the biennium to support state laboratory infrastructure. This funding is needed to provide laboratory support to public health programs. This infrastructure support is for equipment and instrument replacement and maintenance in the DPHHS Laboratory Services Bureau along with support for supplies and training for specialized testing.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$290,000	\$290,000
FY 2009	\$0	\$0

NP- 70003 - WIC IT System Maintenance (BIEN - OTO) -

This one-time-only request is for \$290,000 for the biennium in general fund to sustain our current system until a USDA State Agency Model (SAM) is available to DPHHS. Estimated availability is Summer of 2008 at the earliest, with roll out to states between then and 2010.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$150,000
FY 2009	\$150,000	\$150,000

NP- 70007 - HIV Treatment Funding Request -

An increase in of \$150,000 general fund is requested for each year of the biennium for HIV Treatment. As of April 2006, there were 18 individuals waiting to be enrolled into the Montana AIDS Drug Assistance Program (ADAP). Additional funds will allow the department to supply these individuals with HIV medications using the significant ADAP discount.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$0
FY 2009	\$50,000	\$0

NP- 70013 - Food Emergency Response Network Grant -

An increase in federal authority of \$50,000 is requested for each year of biennium for the Food Emergency Response Network (FERN) grant. This authority is being requested to bring the base in line with the expected grant award.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$400,000	\$0
FY 2009	\$400,000	\$0

NP- 70014 - Youth Suicide Prevention Program -

This request is for \$400,000 for federal spending authority for each year of biennium to support youth suicide prevention efforts in Montana. This program provides resources to communities to support and promote youth suicide prevention efforts. Eighty-five percent (85%) of funding must be expended at the local level to support community-based efforts to decrease the incidence of youth suicide.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$59,080	\$0
FY 2009	\$59,392	\$0

NP- 70017 - FTE Request for MT Breast & Cervical Health Prg -

This is a request for 1.00 FTE and \$59,080 in federal spending authority for FY 2008 and \$59,392 in federal spending authority for FY 2009 to convert the current modified position of Montana Breast and Cervical Health Program (MBCHP) Health Educator to a permanent position. This position provides direction, technical assistance, and training for local MBCHP contractors; programs serving Montana's American Indians, and the network of MBCHP medical service providers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$0
FY 2009	\$200,000	\$0

NP- 70103 - Tobacco Trust Fund Sup for Pbhc Hlth Home Visits -

This request is for \$200,000 in Tobacco Trust Fund Interest funds for each year of the biennium to support Public Health Home Visits (PHHV), a part of the Montana Initiative for the Abatement of Mortality in Infants (MIAMI). DPHHS will use new PHHV funding for additional Public Health Home Visiting sites and/or to increase funding to existing PHHV sites in order to expand home visiting services by providing intensive case management to pregnant women who are at risk for using substances while pregnant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,000	\$75,000
FY 2009	\$0	\$0

NP- 70105 - Rural Public Health Development Project -

This request is for a \$75,000 biennial appropriation to develop locally driven solutions for creating public health infrastructure in rural and frontier Montana. The appropriation is intended to address public health surge capacity in a large-scale event or emergency and develop basic orientations for boards of health and health officers. The division may contract with an entity or entities able to work with local jurisdictions to perform this work.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,370,000	\$0
FY 2009	\$1,370,000	\$0

NP- 70106 - Tobacco Prevention Activities -

This budget request is for 2.00 FTE and \$1,370,000 in state special revenue for each year of the biennium for expansion of activities of Montana Tobacco Use Prevention.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$118,000	\$118,000
FY 2009	\$0	\$0

NP- 70107 - Purchase of Tamiflu - Biennial OTO -

This request is for a biennial appropriation of \$118,000 in general fund for a one time purchase of an additional 8,174 courses of Tamiflu. DPHHS has evaluated the state's potential needs under various scenarios to determine what, if any, additional courses of treatment would be necessary to respond to a pandemic. To supplement the federal set aside, we anticipate purchasing an additional 8,174 treatment courses as an added measure of protection.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$330,000	\$0
FY 2009	\$830,000	\$0

NP- 70108 - Diabetes & Heart Disease Prevention -

This budget request is for 2.00 FTE and \$330,000 for FY 2008 and \$830,000 for FY 2009 in state special revenue for diabetes and heart disease prevention activities. These initial activities would include establishing pilot programs within local health departments, community health centers, diabetes education programs, or other appropriate health care facilities to promote increased physical activity, improved nutrition, and tobacco use cessation among persons at high risk for developing diabetes, and the development of supportive health education materials for these pilot programs.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$290,000	\$0
FY 2009	\$290,000	\$0

NP- 70005 - Newborn Screening Follow-Up Program -

This request is for \$290,000 in Tobacco Trust Fund Interest funds for each year of the biennium to support a comprehensive newborn screening follow-up program. This program will assure the availability of appropriate clinical diagnostic and support services for families and primary care providers of those babies identified with an abnormal condition from the expanded panel of newborn screening tests.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$60,000	\$0
FY 2009	\$60,000	\$0

NP- 70016 - FCSS Spending Authority for Pool Inspections -

This request is for \$60,000 in state special revenue spending authority for each year of the biennium to allow Food and Consumer Safety to recover costs associated with inspections performed by DPHHS employees. Pending legislation to increase pool inspection fees and plan reviews is being used to compute anticipated authority request.

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Language Recommendations - DP 70005 - Newborn Screening Follow-Up is contingent upon passage of legislation which would expand the newborn screening from four mandatory screening tests done on a blood sample to 28 metabolic and endocrine tests and a newborn hearing screening, for a total of 29 tests. Department of Public Health and Human Services sponsored legislation, LC0472, would amend 53-19-402, MCA, to mandate universal newborn hearing screening and 50-19-203 - 212, MCA, to mandate metabolic and genetic testing to 28 tests on a blood sample.

DP 70016 - FCSS Spending Authority for Pool Inspections is contingent upon passage of legislation, LC#xxx.

Public Health & Human Services-6901

Quality Assurance Division-08

Program Description - The role of the Quality Assurance Division (QAD) is to protect the safety and well-being of Montanans by monitoring and ensuring the integrity and cost-effectiveness of programs administered by the department. The Quality Assurance Division (QAD) fulfills this roll by providing comprehensive services that:

- Protect the safety of clients that utilize Montana's health care, day care, and residential providers through licensure of 2,178 facilities. Of these facilities, 296 are certified by the Division for participation in the Medicare and Medicaid programs;
- Detect and investigate abusive or fraudulent practices affecting the Medicaid, TANF and Food Stamp programs and initiate recovery efforts;
- Reduce Medicaid costs by identifying other insurers or parties responsible for paying a client's medical expenses;
- Provide both internal and external independent audits for DPHHS programs;
- Provide independent fair hearings for clients and providers participating in DPHHS programs;
- Monitor and evaluate health maintenance organizations for quality assurance and network adequacy;
- Maintain Certified Nurse Aide Registry;
- Approve and monitor Nurse Aide Training programs;
- Operate the Certificate of Need (CON) Program; and
- Operate the internal HIPAA function for the Department.

QAD accomplishments for FY 2006 include:

- Saving Medicaid \$94,000,000 by identifying other insurance resources for beneficiaries, including Medicare, health insurance, and casualty settlements;
- Recovering through the Medicaid Lien and Estate program and other recoveries \$3,000,000;
- Recovering \$791,000 in overpayments to clients for TANF and, Food Stamps;
- Recovering \$558,512 in Medicaid overpayments to providers;
- Independent Hearings for clients and providers 1,171
- Informal Dispute Resolution requests for Nursing Facilities 20

The division has field offices in Anaconda, Billings, Bozeman, Great Falls, Havre, Hinsdale, Kalispell, Livingston, Miles city, and Missoula.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Estimated FY2008	Estimated FY2009
State Health Care Licensure Visits	357	393	327	422	390	381
Medicaid TPL Cost Avoidance, Cash Recoveries and Lien and Estate	90,091,032	96,307,646	97,537,647	101,439,000	105,497,000	109,717,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	109.95	1.00	0.00	110.95	1.00	0.00	110.95
Personal Services	5,249,065	689,612	0	5,938,677	713,993	0	5,963,058
Operating Expenses	1,529,230	179,099	0	1,708,329	190,765	0	1,719,995
Equipment	7,645	0	0	7,645	0	0	7,645
Grants	539,697	0	0	539,697	0	0	539,697
Total Costs	\$7,325,637	\$868,711	\$0	\$8,194,348	\$904,758	\$0	\$8,230,395
General Fund	1,980,699	373,463	0	2,354,162	387,103	0	2,367,802
State/Other Special	134,137	56,877	0	191,014	57,388	0	191,525
Federal Special	5,210,801	438,371	0	5,649,172	460,267	0	5,671,068
Total Funds	\$7,325,637	\$868,711	\$0	\$8,194,348	\$904,758	\$0	\$8,230,395

Public Health & Human Services-6901

Quality Assurance Division-08

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$34,086	\$12,330
FY 2009	\$43,969	\$15,472

PL- 80002 - QAD Rent Increase -

This request is for \$34,086 total funds with \$12,330 general fund in FY 2008 and \$43,969 total funds with \$15,472 general fund in FY 2009. Rent is increasing between 2%-3% per year. In addition department staff will be moving into a new building in Kalispell in FY 2008. This is the additional cost in FY 2008 and FY 2009 for the same amount of space that was used in FY 2006 for the Quality Assurance Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$4,396)	(\$2,984)
FY 2009	(\$4,396)	(\$2,984)

PL- 80007 - Leased Vehicles (2) For Field Staff -

This request is for a reduction of (\$4,396) total funds and (\$2,984) general fund for each year of the biennium to lease two motor pool cars.

There are three people in Missoula and two people in Great Falls driving their own cars, who are reimbursed more than the cost of motor pool leased cars. Each motor pool leased car is projected to be driven 15,000 miles each year. Currently, the reimbursement to those who drive their own cars is substantially higher, therefore, resulting in the above listed savings to the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$183,080	\$0
FY 2009	\$183,080	\$0

PL- 80008 - Additional Lien and Estate Recovery Costs -

This request is for \$183,080 total funds and \$91,540 state special revenue funds in each year of the FY 2009 biennium for additional Lien and Estate recovery costs. As a result of these recovery efforts, the department estimates an increase in Lien & Estate State Special Revenue (SSR) collections of \$253,840 in FY 2008 and \$258,800 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 80009 - Child Care Licensing Increase 1 FTE -

This decision package is a request to convert 1.00 FTE, modified to a permanent position for each year of the Biennium as an Administrative Assistant in the Quality Assurance Division (QAD), Child Care Licensing program that will be located in the Billings office. Administrative and technical support for the Child Care Licensing program is currently provided through 1.00 FTE modified. Converting this FTE to a permanent position will allow better management of workload and assignment of duties associated with the Child Care Licensing program. No additional funds are requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$58,231
FY 2009	\$0	\$58,340

PL- 80010 - TPL Funding Adjustment -

This adjusts the funding in the TPL Unit. It was originally funded at 25% general fund and 75% federal funds. It is now a 50% general fund program. This decision package requests \$58,231 in general fund with a reduction of equal amount in federal funds for FY 2008 and \$58,340 in general fund with a reduction of equal amount in federal funds for FY 2009.

Public Health & Human Services-6901

Technology Services Division-09

Program Description - The Technology Services Division (TSD) is responsible for all agency information technology. TSD has three bureaus:

- The External Systems Bureau which is engaged in project management, using outside contractors to develop and manage major data systems. These systems include SEARCHS for child support enforcement, CAPS for children's protective services, TEAMS and CHIMES for Medicaid, TANF and food stamps eligibility determination, Montana Access for electronic benefits.
- The Information Services Bureau, which provides database management, user help desk, and internal system development. Systems developed and maintained by internal programmers include ISERV, PERQS, AWACS, MICRS (all financial systems) and TIER (a patient management system used at Boulder and Warm Springs).
- The Network and Communications Bureau, which provides networking and desktop services to all agency employees.

Statutory Authority - Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Indicators –

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Petitions Filed	261	278	324	324	350	350
Trials	68	82	41	80	80	80
Settlement Conferences	51	71	51	70	0	0

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	56.10	0.00	0.00	56.10	0.00	0.00	56.10
Personal Services	3,094,418	241,505	0	3,335,923	255,351	0	3,349,769
Operating Expenses	13,758,257	1,672,142	0	15,430,399	1,823,419	0	15,581,676
Equipment	0	0	0	0	0	0	0
Debt Service	307,596	0	0	307,596	0	0	307,596
Total Costs	\$17,160,271	\$1,913,647	\$0	\$19,073,918	\$2,078,770	\$0	\$19,239,041
General Fund	6,474,663	991,836	0	7,466,499	1,069,861	0	7,544,524
State/Other Special	645,254	68,966	0	714,220	75,025	0	720,279
Federal Special	10,040,354	852,845	0	10,893,199	933,884	0	10,974,238
Total Funds	\$17,160,271	\$1,913,647	\$0	\$19,073,918	\$2,078,770	\$0	\$19,239,041

Public Health & Human Services-6901

Technology Services Division-09

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$110,032	\$61,618
FY 2009	\$110,032	\$61,618

PL- 90004 - CAPS System Facilities Management Increase -

This decision package is requesting \$123,236 general fund and \$96,828 federal funds over the biennium for the cost of living and level of effort increase for the Child and Adult Protective Services (CAPS) contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$20,000	\$9,112
FY 2009	\$20,400	\$9,294

PL- 90007 - Ongoing Support for DPHHS Security System -

This request provides for ongoing maintenance and support for the DPHHS security system. The funding for this decision package is \$18,406 general fund, \$2,695 state special, and \$19,299 federal funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$114,046	\$57,023
FY 2009	\$114,046	\$57,023

PL- 90008 - On Going Support for CHIMES -

This request funds the platform hosting costs associated with running the new Medicaid eligibility system entitled, Combined Health Information and Medicaid Eligibility System (CHIMES), on a mid-tier platform as opposed to the ITSD mainframe. The funding for this decision package is \$114,046 general fund and \$114,046 federal funds over the biennium.

Public Health & Human Services-6901

Disability Services Division-10

Program Description - Disability Services Division (DSD) assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DSD is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state institution at the Montana Developmental Center (MDC) in Boulder.

Vocational Rehabilitation (VR) serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities. Developmentally disabled includes individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatment similar to those required by someone with mental retardation. The developmental disability must have originated before age 18 and have resulted in a substantial handicap for indefinite duration.

Disability Services Division (DSD) serves the telephone needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled through the Montana Telecommunication Access Program (MTAP).

Statutory Authority - 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Vocational Rehabilitation number rehabilitated	892	899	900	900	900	900
Vocational Rehabilitation percentage severely disabled	82%	82%	80%	80%	80%	80%
Developmental Disabilities Program (DDP) waiting for service and receiving no other DDP services	457	486	471	484	491	498
DDP waiting for additional services and receiving some DDP services	828	818	832	836	838	840
Montana Telecommunications Access Program (MTAP) Relay Service total minutes per year	370,310	364,835	336,703	286,922	281,983	501,422

For both Vocational Rehabilitation indicators, actual numbers for FY2006 will be available Oct 1, 2006.

MTAP relay service total minutes decreased between FY2004 and FY2008 because of the introduction of Internet Protocol (IP) relay and Turbo technology, which is much faster and therefore fewer minutes are needed. The estimated increase from FY2008 to FY2009 reflects an anticipated federal government mandate that states pay for Video Relay Service (VRS) and IP Relay.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	492.92	0.00	1.00	493.92	0.00	1.00	493.92
Personal Services	22,208,155	553,531	40,779	22,802,465	717,688	40,820	22,966,663
Operating Expenses	8,376,219	140,305	1,129,504	9,646,028	236,449	61,064	8,673,732
Equipment	68,120	(53,120)	0	15,000	(53,120)	0	15,000
Benefits & Claims	96,915,222	2,598,760	14,211,731	113,725,713	2,659,299	18,015,352	117,589,873
Debt Service	0	0	0	0	0	0	0
Total Costs	\$127,567,716	\$3,239,476	\$15,382,014	\$146,189,206	\$3,560,316	\$18,117,236	\$149,245,268
General Fund	46,584,972	1,520,275	3,738,665	51,843,912	1,817,150	4,651,055	53,053,177
State/Other Special	1,458,428	512,758	2,782,826	4,754,012	513,938	2,185,587	4,157,953
Federal Special	79,524,316	1,206,443	8,860,523	89,591,282	1,229,228	11,280,594	92,034,138
Total Funds	\$127,567,716	\$3,239,476	\$15,382,014	\$146,189,206	\$3,560,316	\$18,117,236	\$149,245,268

Public Health & Human Services-6901

Disability Services Division-10

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	(\$475,001)
FY 2009	\$0	(\$475,001)

PL- 10001 - Adjust I-149 Funding -

The 2005 Legislature appropriated \$950,000 of state funds per year in the 2007 biennium for a funding increase for the Developmental Disability Program community services. In base year 2006, the Legislature appropriated \$475,000 general fund and \$475,000 I-149 funds, spending general funds first to allow time to build the I-149 fund balance. The funding appropriated for FY 2007 is \$950,000 I-149 funds. This request moves \$475,000 of general fund to I-149 funds per year in the 2009 biennium to offset the split funding designated in the base year 2006.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$1,398,752
FY 2009	\$0	\$1,540,649

PL- 10002 - FMAP Adjustment -

This request provides an increase in general fund of almost \$2.9 million over the biennium, with an offsetting decrease in federal funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2008 and FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,366,542	\$695,174
FY 2009	\$2,366,542	\$701,609

PL- 10003 - Annualization of Community Services Cost Plans -

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$439,448	\$439,448
FY 2009	\$449,601	\$449,601

PL- 10004 - MDC Base Adjustments -

This request provides about \$0.9 million in general fund over the biennium to adjust for zero-based personal services funding as compared to the base year. This request is necessary to maintain minimum Montana Developmental Center (MDC) staffing requirements at this 24-hour day, 7-days-a-week facility and to maintain Medicaid certification.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$24,185	\$5,587
FY 2009	\$40,640	\$10,366

PL- 10005 - DSD Rent for non-state facilities -

DSD requests funding for rent increases for offices in non-D of A buildings. This decision package requests \$15,953 of general fund, \$5,705 of state special revenue, and \$43,167 of federal funds over the biennium for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.

Public Health & Human Services-6901

Disability Services Division-10

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$157,521	\$0
FY 2009	\$238,241	\$0

PL- 10007 - Disability Determination Services Base Adjustments -

This decision package requests an increase of \$395,762 in federal funds over the biennium for Disability Determination Services workload increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$208,256	\$44,359
FY 2009	\$264,023	\$56,237

PL- 10008 - VR Tuition Increases -

This decision package requests \$100,596 of general fund and \$371,683 of federal funds over the biennium to provide for a 5% tuition increase each year from FY 2007 through FY 2009 for non-state schools only, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$16,000	\$0
FY 2009	\$16,000	\$0

PL- 10020 - Health Services Accounts -

SB 433 of the 2005 Session appropriated \$16,000 state special revenue to DSD for a Medicaid pilot program to create waiver services accounts for individuals with developmental disabilities. The pilot program did not start until the second year of the 2007 biennium. This request adds the authority back into the division's budget.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$50,000
FY 2009	\$50,000	\$50,000

NP- 10009 - Montana Youth Leadership Forum (MYLF) -

This decision package is a request to support the Montana Youth Leadership Forum (MYLF) for disabled youth, including Indian students on Montana reservations. It is a request for \$100,000 in general funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,654,963	\$1,664,117
FY 2009	\$6,787,744	\$2,347,665

NP- 10010 - DD Wait List Reduction -

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,169,675	\$1,582,172
FY 2009	\$9,840,515	\$1,814,413

NP- 10011 - DD Rate Rebasing -

This request is for \$18 million total funds, \$3.4 million general fund and \$3.9 million in state special revenue funds over the biennium to support the rebasing of the developmental disability program provider rates.

Public Health & Human Services-6901

Disability Services Division-10

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,000	\$120,000
FY 2009	\$120,000	\$120,000

NP- 10016 - DD Crisis Funding - Restores OTO -

The Travis D settlement calls for \$200,000 of general fund, continuous crisis funding. \$80,000 of this amount is in the division's base budget. This decision package requests \$120,000 general fund per year over the biennium, which the 2005 Legislature previously provided as one-time-only funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,065,000	\$0
FY 2009	\$0	\$0

NP- 10018 - MTAP new technologies (BIEN) -

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$0
FY 2009	\$1,000,000	\$0

NP- 10021 - Developmental Disabilities Program - Fed Authority -

This request is for \$2 million of additional federal authority for the biennium to provide the appropriation authority for increases in federal grants or maximize general funds under the Home and Community Based Waiver. This waiver is used to fund services to individuals with developmental disabilities. The federal authority would not require any future commitment of general fund dollars.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,283	\$55,283
FY 2009	\$51,884	\$51,884

NP- 10026 - VR Transition Counselor -

This decision package is a request for support for 1.00 FTE, vocational rehabilitation counselor to be located in a local school district who will assist in identifying students and coordinating available services. This request is part of the initiative to Improve Outcomes for Young Adults with Disabilities. This is a budget request for \$107,167 general fund over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$267,093	\$267,093
FY 2009	\$267,093	\$267,093

NP- 10501 - Provider Rate Increases -

This decision package requests increases for provider rates by 2.5% for the biennium. Total funds requested are \$534,186 all general funds.

Public Health & Human Services-6901

Health Resources Division-11

Program Description - The Health Resources Division (HRD) administers Medicaid primary care services, children's mental health services and the Children's Health Insurance Program (CHIP). The purpose of the division is to improve and protect the health and safety of Montanans. The Division reimburses private and public providers for a wide range of preventive, primary, and acute care services. Major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment, and mental health providers. The Division develops tools, measurements and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others. The Division strives to provide superior customer service in a respectful, fair, and timely manner.

The majority of services in the Division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children and low-income families. The Children's Mental Health Bureau is predominately financed through Medicaid. A small federal SAMHSA grant provides regional infrastructure and very limited services for children below 150% of the federal poverty level.

The division administers CHIP as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. CHIP dental and eyeglasses benefits are reimbursed directly by the department.

Program Indicators -

Indicator	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Children's Mental Health, Percentage SED Clients Served in Community	84.91%	85.23%	85.5%	85.5%	85.5%
CHIP & Special Health, Percentage of Clients Served Receiving Preventive Health Care	56.0%	N/A	57.0%	58.0%	59.0%
Managed Care, Percentage of participation in the Nurse First Care Management Programs	16.2%	15.9%	16.0%	16.0%	16.0%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	81.00	0.00	6.00	87.00	0.00	6.00	87.00
Personal Services	3,258,627	886,028	256,970	4,401,625	897,046	257,260	4,412,933
Operating Expenses	8,525,672	281,821	1,005,061	9,812,554	291,642	1,035,774	9,853,088
Grants	189,278	0	0	189,278	0	0	189,278
Benefits & Claims	444,205,071	69,863,702	18,418,352	532,487,125	105,771,479	19,582,305	569,558,855
Debt Service	2,282	0	0	2,282	0	0	2,282
Total Costs	\$456,180,930	\$71,031,551	\$19,680,383	\$546,892,864	\$106,960,167	\$20,875,339	\$584,016,436
General Fund	99,892,880	25,569,957	948,297	126,411,134	35,342,560	947,669	136,183,109
State/Other Special	23,744,825	12,233,491	4,939,007	40,917,323	12,078,951	5,374,309	41,198,085
Federal Special	332,543,225	33,228,103	13,793,079	379,564,407	59,538,656	14,553,361	406,635,242
Total Funds	\$456,180,930	\$71,031,551	\$19,680,383	\$546,892,864	\$106,960,167	\$20,875,339	\$584,016,436

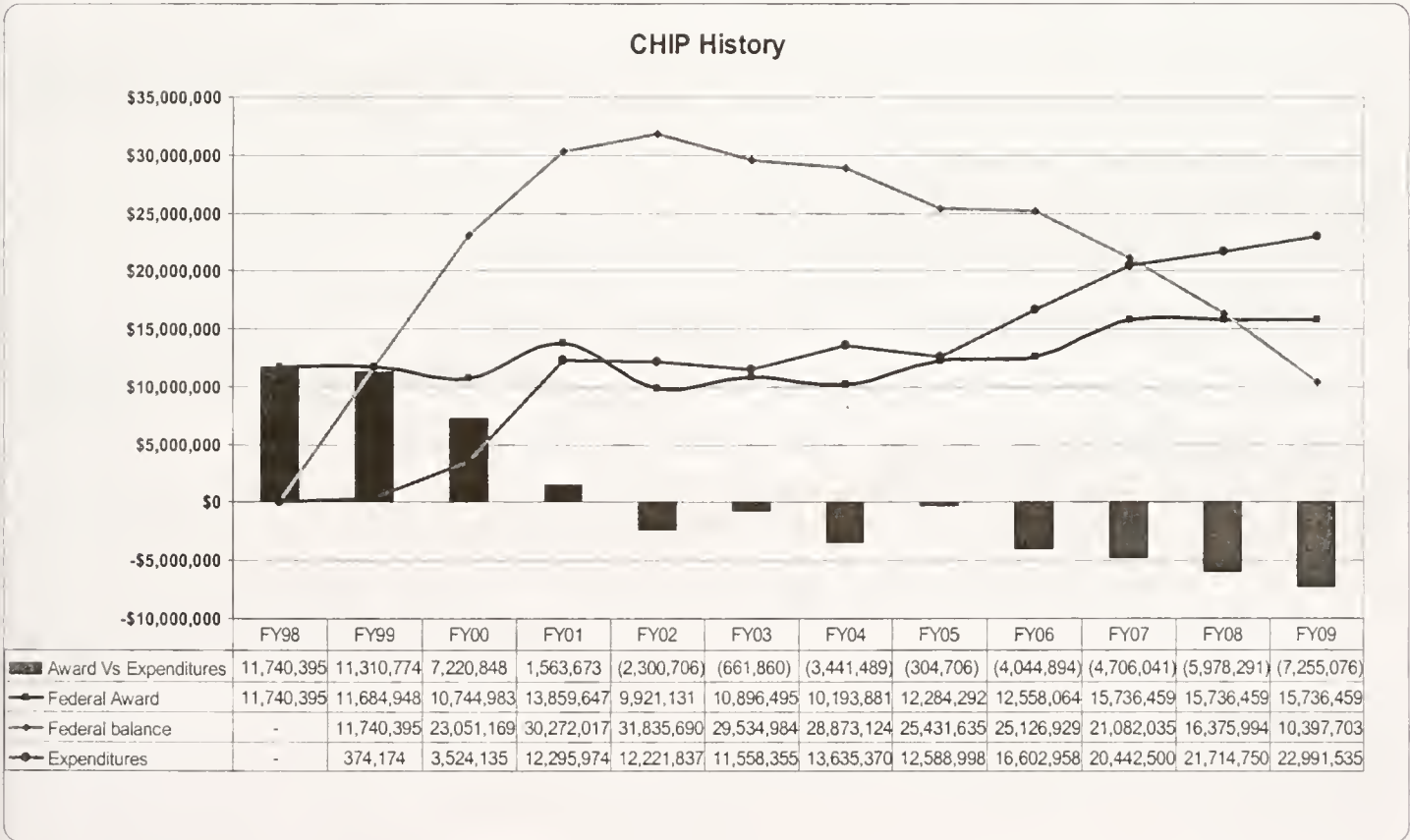
Public Health & Human Services-6901 Health Resources Division-11

CHIP

In the 2007 biennium, the Department expanded Children's Health Insurance Plan (CHIP), which provides health coverage to uninsured, low-income children, using tobacco-tax revenue set aside for that purpose through Initiative 149. Over the past year, CHIP actively recruited clients and has seen a steady increase in enrollment. The Department has also investigated to a more cost-effective way to reduce administrative costs through self-administration of the program. It is anticipated that this will allow more dollars to go towards coverage. While this cost-effective option does place the state at risk in the event of a catastrophic illness or event which could incur high medical costs, the risk can be mitigated through 1) maintenance of a reserve account, 2) purchase of stop loss insurance or 3) controlling attrition as CHIP is not an entitlement program.

The department is awaiting the renewal of federal legislation reauthorizing the CHIP program expected sometime in fiscal year 2007. Until such time, the department will continue to maintain its current level of service to children eligible to 150% FPL.

In the process of determining the budget request, the FY 2007 CHIP grant amount was used for forecasting purposes. As the chart below indicates, CHIP expenditures have been exceeding the annual federal award amount since 2005. The program has remained solvent, however, due to the federal balance amount accumulated during the earlier years when expenditure rates were lower. It is anticipated that this balance will be expended by fiscal year end 2009. Several options are being examined to determine how to continue the program after FY 2009.



**Public Health & Human Services-6901
Health Resources Division-11**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$28,975,589	\$7,378,133
FY 2009	\$50,841,000	\$12,881,323

PL- 11001 - Medicaid Caseload -

This request reflects the caseload costs in Medicaid. Medicaid caseload costs consist of the number of eligibles, utilization and patient acuity levels. This decision package requests \$79.8 million in total funds. The biennial funding is \$20.2 million in general fund and \$59.6 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,239,977	\$2,900,429
FY 2009	\$13,950,712	\$4,393,079

PL- 11002 - Medicaid Caseload - Children's Mental Health -

This request reflects the caseload growth in Children's Mental Health. This decision package requests \$23.1 million in total funds for the biennium. The biennial funding is \$7.2 million in general fund and \$15.9 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,459,396	\$772,004
FY 2009	\$5,161,880	\$1,625,476

PL- 11003 - Medicare Buy - In Caseload -

This request reflects expected increases in premiums for Medicare Part A and Part B that have been projected by the department. This request is for \$7.6 million over the biennium with \$2.4 million in general fund and \$5.2 million in Federal funds. The program is mandated by Federal Law.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$719,289	\$157,740
FY 2009	\$1,337,709	\$295,767

PL- 11004 - Medicaid Breast & Cervical Cancer -

This request is for \$2,056,998 for the biennium including \$453,507 general fund to provide continued funding for the Medicaid expenditures related to the Breast & Cervical Cancer Treatment Program for those individuals determined to be Medicaid eligible.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$7,070,145
FY 2009	\$0	\$7,411,883

PL- 11005 - FMAP MATCH Rate for FY2008/FY2009 -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$14.5 million in general fund and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 11006 - CHIP FMAP Match Rate -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$663,707 in tobacco settlement funds over the biennium and a reduction in Federal funds of the same amount.

Public Health & Human Services-6901

Health Resources Division-11

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,764,537	(\$200,000)
FY 2009	\$8,736,705	(\$200,000)

PL- 11007 - Medicaid Tobacco Portion -I-149 -

This decision package provides the I-149 appropriation authority for the projected cash flow in FY 2008 and FY 2009 for specific provider rate increase. This request would reduce general fund by (\$200,000) each year and increase state special funds \$2.9 million each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,645,589	\$0
FY 2009	\$7,642,731	\$0

PL- 11008 - Big Sky Rx Base Adjustment -

The Big Sky Rx program was funded with I-149 funds. This decision package provides appropriation authority for the projected cash flow of \$7.6 million in each fiscal year of the biennium. This would also provide funding for previously approved enrollment projections.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,137,449	(\$262,626)
FY 2009	\$3,137,449	(\$269,432)

PL- 11009 - CHIP Enrollment -

The CHIP program was funded with I-149 funds, general fund and federal funds. This decision package provides the appropriation authority for the projected cash flow in the 2009 biennium, accounts for FMAP changes, and provides funding for projected enrollment. This decision package requests biennial changes including increases of \$1.1 million in SSR and of \$5.7 million federal funds and a decrease of \$532,058 in general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,542,878	\$0
FY 2009	\$5,960,281	\$0

PL- 11010 - Indian Health Services Caseload -

This decision package reflects the projected caseload and federal rate increases for the Medicaid Indian Health Services program. The request is \$7.5 million in federal funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$230,523	\$72,361
FY 2009	\$503,427	\$158,529

PL- 11025 - Rural Health & Fed Qualified Health Centers -

Rural Health Clinics and Federally Qualified Health Centers services are required Medicaid services. This decision package requests \$733,950 over the biennium for the rate increased by the Medicare Economic Index.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,148,475	\$7,148,475
FY 2009	\$8,499,585	\$8,499,585

PL- 11028 - Phased-down State Contribution Adjustment -

This decision package reflects the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) change that requires the state to pay a monthly fee for those individuals whose Medicaid drug coverage was assumed by Medicare Part D. This request is for \$15.6 million over the biennium in general fund.

Public Health & Human Services-6901

Health Resources Division-11

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 11031 - CMH - Direct Care Wage Biennial -

This decision package reflects the FMAP change needed for the Direct Care Worker rate increase. This was approved in the 2007 Session and is funded by I-149 funds. This request is a biennial amount of \$198,404 in state special and an equal reduction in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$125,000
FY 2009	\$250,000	\$125,000

PL- 11040 - Hospital Cost Reports -

The decision package requests \$500,000 over the biennium for hospital costs reports. The reports are required by law and are critical for calculating items such as hospital settlements. The funding for this decision package is \$250,000 general fund and \$250,000 in federal funds over the biennium.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,042,370	\$400,000
FY 2009	\$3,032,709	\$400,000

NP- 11011 - Dental Access -

This decision package would provide access to dental services for both adults and children in Medicaid. The request for the biennium is for \$6 million over the biennium. The funding for the biennium is \$800,000 in general fund, \$1,110,000 in state special revenue and \$4 million in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,638,031	\$0
FY 2009	\$5,638,031	\$0

NP- 11013 - CHIP Self Administration -

This decision package requests 5.00 FTE and the associated start-up costs for the department to self-administer the CHIP program. This request is funded with I-149 funds in the amount of \$1,236,420 in FY 2008 and \$1,246,569 in FY 2009. The federal funds are \$8.8 million for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,091,593	\$348,297
FY 2009	\$3,090,338	\$347,669

NP- 11038 - Family Planning Waiver Implementation - OTO -

This request is for the implementation of the Family Planning Waiver. This decision package is a one-time-only request for \$695,966 in general fund and \$5.5 million in federal funds for the biennium.

This decision package assumes the implementation of Family Planning Waiver in July, 2007, adding to Medicaid approximately 6,000 low-income women (185% FPL) of child-bearing age. This population would receive reproductive health services estimated at approximately \$480/year. While there will be savings in the future, costs are estimated to increase in years 1 and 2 of the waiver.

Public Health & Human Services-6901

Health Resources Division-11

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,228,856	\$0
FY 2009	\$5,228,856	\$0

NP- 11501 - Provider Rate Increases -

This decision package requests increases for provider rates by 2.5% for the biennium. Total funds requested are \$10,457,712 with \$3,287,904 I-149 Tobacco Initiative funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$200,000
FY 2009	\$200,000	\$200,000

NP- 11901 - System of Care Sustainability -

This decision package requests \$400,000 general funds for the biennium for System of Care (SOC) sustainability.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,479,533	\$0
FY 2009	\$3,685,405	\$0

NP- 11012 - Hospital Utilization Fee -

This decision package is to provide an increase to the spending authority and the federal match for the hospital utilization fee. If the Utilization Fee is approved by the Legislature, this requests ties to the fiscal impact for state special and federal authority. Spending authority necessary for this fee for FY 2008 is estimated to be \$40.2 million total funds (\$12.6 million in state special revenue and \$27.6 million in federal funds) and FY 2009 to be \$41.4 million total funds (\$13.0 million in state special revenue and \$28.4 million in federal funds). This decision package is a request for the increase to the base funding for each fiscal year. An increase of \$1,506,249 in state special revenue and an increase of \$973,284 in federal funds are requested for FY 2008. In FY 2009, \$1,926,174 in state special revenue and \$1,759,231 in federal funds are requested.

Language Recommendations

DP 11012 - Hospital Utilization Fee is contingent upon passage of legislation, LC# xxxx

DP 11013 - CHIP Self Administration

The appropriation in the decision package 11013, CHIP Self Administration, includes \$1.7 million for a restricted appropriation for a Reserve Account. With the conversion to self-administration, the state assumes the financial risk for catastrophic illness, and consequently, the need for a reserve account. Based on claims experience, DPHHS has determined that a reserve of \$1.7 million is needed. A determination by the Office of Budget and Program Planning that the situation is warranted would be needed in order to access these funds. The Office of Budget and Program Planning shall notify the Legislative Finance Committee, if it is determined that the conditions are met and when the appropriation becomes effective.

Public Health & Human Services-6901 Senior & Long-term Care Division-22

Program Description - The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division makes services available through six major programs:

- The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman and other services;
- Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
- Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 90 Montana nursing homes;
- Protective services, including the investigation of abuse neglect and exploitation are provided by adult protective services social workers;
- Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and
- The State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

Statutory Authority - Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Persons receiving Personal Assistance	2801	2808	2869	2984	3103	3227
Persons receiving HCBS Waiver	1802	1843	1938	2001	2129	2129
Persons receiving Nursing Home	5115	5118	5027	5002	4977	4952

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	193.44	0.00	10.30	203.74	0.00	9.30	202.74
Personal Services	8,156,927	1,006,877	364,165	9,527,969	1,097,379	504,014	9,758,320
Operating Expenses	6,057,344	921,577	434,974	7,413,895	934,369	168,900	7,160,613
Equipment	100,165	0	40,000	140,165	0	0	100,165
Capital Outlay	0	0	0	0	0	0	0
Grants	7,160,481	0	1,292,000	8,452,481	0	692,000	7,852,481
Benefits & Claims	198,773,021	8,427,196	7,968,661	215,168,878	11,592,362	7,969,032	218,334,415
Transfers	0	0	0	0	0	0	0
Debt Service	9,741	3,030	0	12,771	3,300	0	13,041
Total Costs	\$220,257,679	\$10,358,680	\$10,099,800	\$240,716,159	\$13,627,410	\$9,333,946	\$243,219,035
General Fund	46,295,501	2,603,310	2,309,174	51,207,985	3,164,836	1,721,360	51,181,697
State/Other Special	22,385,363	6,555,989	2,156,601	31,097,953	7,341,465	2,289,071	32,015,899
Federal Special	151,576,815	1,199,381	5,634,025	158,410,221	3,121,109	5,323,515	160,021,439
Total Funds	\$220,257,679	\$10,358,680	\$10,099,800	\$240,716,159	\$13,627,410	\$9,333,946	\$243,219,035

Public Health & Human Services-6901

Senior & Long-term Care Division-22

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,914	\$10,909
FY 2009	\$24,390	\$19,527

PL- 22201 - SLTC Field Office Rent Adjustment -

This decision package requests \$39,304 total funds for the biennium including \$30,436 in general fund to manage the rent increases needed for existing rental contracts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$52,732	\$50,886
FY 2009	\$52,732	\$50,886

PL- 22204 - Adult Protective Services Database Maintenance -

This decision package requests \$105,464 over the biennium with \$101,772 in general fund to maintain the Adult Protective Services client database.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$908,886	\$0
FY 2009	\$916,919	\$0

PL- 22205 - Montana Veterans' Home Expense Adjustments -

This decision package requests \$1,825,805 over the biennium from state special revenue funds to provide for adjustments in operating costs for overtime, holiday pay, differential pay, increases in food costs, utilities and other supplies at the Montana Veterans Home.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$23,348	\$11,674
FY 2009	\$23,807	\$11,903

PL- 22206 - Dept of Transportation Cars -

This decision package requests \$47,155 total funds over the biennium including \$23,577 general fund to replace six cars owned by the Senior & Long Term Care division with cars from the State Motor Pool. Each of the currently owned cars has reached its functional life-cycle expectancy.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,901,391	\$0
FY 2009	\$7,788,162	\$0

PL- 22207 - Annualize Nursing Home Provider Tax -

This decision package requests \$15,689,553 in total funds over the biennium with \$5,000,000 in state special revenue funds. This proposal provides an adjustment for the increase in the nursing home provider tax between FY 06 and FY 07 from \$7.05 to \$8.30 per day. The FY 06 provider tax revenues (expenditures) total \$3.5 million in State Special Revenue (SSR), while FY 07 revenue increases to \$6.0 million from SSR.

Public Health & Human Services-6901

Senior & Long-term Care Division-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$24,960	\$24,960
FY 2009	\$49,920	\$49,920

PL- 22208 - State Supplement Caseload Increase -

This decision package reflects the projected cost for caseload increase in State Supplemental payments for 20 individuals in each year of the biennium who will transfer from institutional disability services to community programs. \$24,960 in general fund are requested for FY 2008 and \$49,920 in general fund are requested for FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,160,354	(\$419,748)
FY 2009	\$1,160,354	(\$406,035)

PL- 22209 - Annualize Waiver Expansion Costs -

This decision package requests \$2,320,708 over the biennium to annualize the expansion of the Medicaid Community-Based Waiver program, which occurred in FY 2007 and was not included in the 2006 base expenditures. Additionally, a funding shift is proposed to reduce the general fund by \$825,783 and use state special revenue funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$2,894,405
FY 2009	\$0	\$3,033,599

PL- 22210 - Medicaid Nursing Home FMAP Adj -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for an increase of \$5.9 million in general fund over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$578,956
FY 2009	\$0	\$606,220

PL- 22211 - Home Based Medicaid FMAP Adj -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for an increase of \$1.2 million in general fund over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$491,021
FY 2009	\$0	\$514,859

PL- 22212 - Medicaid Waiver FMAP Adjustment -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for an increase of \$1 million in general fund over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$4,480,189)	(\$1,417,532)
FY 2009	(\$5,049,143)	(\$1,620,775)

PL- 22213 - Nursing Home Caseload Adjustment -

This decision package reflects a reduction of (\$9.5 million) total funds over the biennium including (\$3.0 million) in general fund due to an anticipated caseload change in occupancy levels at Montana's nursing homes.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$1,254,373	\$393,748
FY 2009	\$2,862,769	\$901,486

PL- 22214 - Medicaid Home Based Svs Caseload Adjustment -

This decision package reflects the anticipated caseload adjustment for Medicaid home based services that include personal care/personal assistance, home health and the hospice program. Caseload is expected to grow at 5% per year with an estimated cost of approximately \$4 million total funds and \$1.3 million general fund over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 22215 - FMAP Change for I-149 NH Provider Increase -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$228,933 in state special revenue funds over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 22216 - FMAP Change for I-149 Home Based Provider Increase -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$30,017 in state special revenue funds over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 22217 - FMAP Change for I-149 Waiver Provider Rate Inc -

This decision package reflects the federal participation rate change (FMAP). This adjustment is for \$25,022 in state special revenue funds over the biennium and a reduction in Federal funds of the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	(\$380,933)
FY 2009	\$0	(\$374,182)

PL- 22218 - Annualize Nursing Home Direct Care Wage -

This decision package reflects the federal participation rate change (FMAP) as well as a funding switch from general fund to state special revenue. This adjustment is for \$995,497 in state special revenue funds over the biennium and a reduction in Federal funds of (\$240,382) and general funds of (\$755,115).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 22219 - FMAP Change – I-149 Home Based Direct Care Wages -

This proposal reflects the change in the required state match rate between the base year and FY 08 and FY 09, which results in the need for additional state funding to keep the total expenditures the same in the FY 09 biennium as they are in FY 06. This request is for \$69,964 in state special revenue funds and a reduction in federal funds in the same amount.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 22220 - FMAP Change-I-149 Direct Care Wages Med Waiver -

This proposal reflects the change in the required state match rate between the base year and FY 08 and FY 09 which results in the need for additional state funding to keep the total expenditures the same in the FY 09 Biennium as they are in FY 06. This is a request for \$14,330 in state special revenue funds and a reduction in federal funds in the same amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,568,707	\$0
FY 2009	\$4,785,100	\$0

PL- 22223 - Nursing Home IGT Adjustment -

This request reflects the anticipated increase in Nursing Home Intergovernmental Payments (IGT) between the FY 06 base and the 2009 biennium. The increase is anticipated to cost approximately \$7.4 million over the biennium, with the state share coming from local county resources and none from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$0
FY 2009	\$250,000	\$0

PL- 22909 - Montana Veterans' Home Contingency Fund Line Item -

This decision package requests continuation of the current restricted Montana Veterans' Home Contingency Fund appropriation in HB2 of \$250,000 state special revenue from cigarette tax each year of the biennium. These funds may be utilized only subject to a determination by the office of budget and program planning that federal and/or state special revenue appropriations are insufficient to operate the Veterans' Home in Columbia Falls. This appropriation was authorized in both the 2003 and 2005 legislatures.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,000	\$0
FY 2009	\$0	\$0

NP- 22101 - EMVH Resident Bus Replacement - OTO -

This decision package is requesting one-time-only state special revenue funds of \$40,000 to replace a bus which is used to transport residents of the Eastern Montana Veterans Home in Glendive.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$165,000	\$0
FY 2009	\$165,000	\$0

NP- 22103 - MVH Facility Upgrades- OTO -

This decision package is requesting one-time-only state special revenue funds of \$330,000 over the biennium for facility upgrades at the Montana Veterans Home in Columbia Falls. These upgrades will include replacing (80) beds and remodeling resident bathrooms.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$0	\$0
FY 2009	\$183,000	\$0

NP- 22104 - MVH Recruitment and Retention Contingency -

This proposal requests a contingency fund be established for FY 2009 for Montana Veterans Home in Columbia Falls to provide recruitment and retention wage increases. This contingency fund would be for \$183,000 in FY 2009 from the state special revenue. It is for the purpose of maintaining a competitive wage for direct care staff in the Flathead Valley and will assist in recruitment and retention of staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$137,862	\$0
FY 2009	\$138,421	\$0

NP- 22105 - MVH Special Care Unit Staff -

This proposal is a request for additional staff for the Special Care Unit (SCU) at the Montana Veterans' Home (MVH) in Columbia Falls. The 15-bed SCU is at full occupancy with a waiting list. Because many of the clients are in advanced stages of dementia, MVH has been experiencing a greater number of patient accidents in this unit. This proposal requests one additional Certified Nurse Assistant (CNA) for two shifts seven days a week (3.20FTE), one activities aide for one shift seven days a week (1.6 FTE) and a housekeeper on the weekends for the SCU (0.40 FTE). The total cost of this staff is approximately \$140,000 per year and would be funded from the cigarette tax state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$22,539	\$0
FY 2009	\$22,685	\$0

NP- 22106 - MVH Pharmacy Clerk -

This decision package requests a 0.60 FTE position for a pharmacy clerk at the Montana Veterans Home in Columbia Falls. This position would be responsible for collecting data to be used in Medicare and Medicaid reimbursement billing and reimbursement activities related to the new Medicare Part D prescription drug program. This is a request for approximately \$23,000 each fiscal year and would be funded from state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$15,000	\$0
FY 2009	\$0	\$0

NP- 22107 - EMVH Fire Alarm System - OTO -

This one-time-only request is for upgrading the fire alarm system at the Eastern Montana Veterans' Home in Glendive. The cost is estimated at \$15,000 to be funded from state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$47,020	\$0
FY 2009	\$45,362	\$0

NP- 22108 - Additional Aging Ombudsman Position -

This decision package requests an additional 1.00 FTE Ombudsman in the Aging Bureau to address the increasing number of long term care facility options and concerns related to access and advocacy issues for long term care service recipients. This position will be funded from federal funds at approximately \$50,000 per year over the biennium.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$692,000	\$692,000
FY 2009	\$692,000	\$692,000

NP- 22109 - Elderly Meal Programs -

This is a request for \$692,000 general fund each year over the biennium to support aging programs and grants administered by Area Agencies on Aging. This request makes permanent the one-time-only general fund appropriation of \$567,000 from the 2007 biennium and adds a new general fund appropriation of \$125,000 for the aging programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$600,000	\$600,000
FY 2009	\$0	\$0

NP- 22110 - Continue Aging In-Home Caregiver Program -

This decision package requests \$600,000 in general fund over the biennium for Area Agencies on Aging to provide in-home caregiver services to elderly citizens residing in their homes. These funds were originally appropriated as one-time-only in the 2007 Biennium. In order to continue providing in-home services and assistance to caregivers of the elderly and disabled, the department is requesting continuation of the funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$47,020	\$0
FY 2009	\$45,362	\$0

NP- 22112 - Additional SHIP FTE for Aging Services -

This decision package is requesting 1.00 FTE in the Aging Services Bureau for the State Health Insurance Program (SHIP). The position would cost approximately \$48,000 per year in federal funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,649,055	\$838,161
FY 2009	\$2,649,055	\$850,347

NP- 22119 - Waiver Expansion -

This proposal requests \$5,298,110 total funds over the biennium including \$1.7 million in general funds and \$3.6 million in federal funds for the expansion of the Medicaid Home and Community Based Waiver program. This expansion will add funding to serve approximately 100 new individuals waiting to access community services in home or assisted living settings, supported living, or heavy care services such as ventilator or traumatic brain injury services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$290,000	\$0
FY 2009	\$0	\$0

NP- 22127 - SLTC Alzheimer Grant Continuation -

This decision package requests \$290,000 in federal funds over the biennium. This is a continuation of funding for the third year of grant to implement goals and activities required to develop and/or improve systems for assistance to Montanans diagnosed with, or caring for those with, Alzheimer's disease and related disorders.

Public Health & Human Services-6901 Senior & Long-term Care Division-22

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$74,698	\$0
FY 2009	\$73,084	\$0

NP- 22239 - Adult Protective Services Field Staff -

This decision package requests 1.50 FTE field staff for Adult Protective Services (APS) referrals. The funding for these positions would be \$147,782 in state special revenue over the biennium. The additional staff is needed to address current caseload in a timelier manner.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,191,535	\$179,013
FY 2009	\$5,191,539	\$179,013

NP- 22501 - Provider Rate Increases -

This decision package requests increases for provider rates by 2.5% for the biennium. Total funds requested are \$11,383,074 with \$358,026 general funds and \$3,151,874 I-149 Tobacco Initiative funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$128,071	\$0
FY 2009	\$128,438	\$0

NP- 22904 - Personal Needs Increase -

This decision package requests \$256,509 tobacco trust interest funds over the biennium to provide for increases in the personal needs allowance for nursing facility residents from \$40.00 per month to \$50.00 per month. Personal needs funds are used by residents to purchase personal items that are not covered under the nursing facility reimbursement such as postage, cards, gifts and beauty shop services for residents.

Language Recommendations

DP 22909 Montana Veterans' Home Contingency Fund appropriation may be established subject to a determination by the Office of Budget and Program Planning that federal and/or state special revenue appropriations are insufficient to operate the Veterans' Home in Columbia Falls.

DP 22104 – MVH Recruitment and Retention Contingency – This decision package requests that a contingency fund of \$183,000 in state special revenue for FY 2009 be established for Montana Veterans Home in Columbia Falls for the purpose of maintaining a competitive wage for direct care staff in the Flathead Valley and to assist in recruitment and retention of staff. Montana Veteran's Home (MVH) must compete with numerous other health care facilities in the Flathead Valley for a limited pool of direct care staff such as Registered Nurses, Licensed Practical Nurses and Certified Nursing Assistants. As MVH wages fall behind other facilities, it becomes increasingly difficult to recruit and retain qualified direct care staff at MVH. The facility must contract with temporary employment contractors at a much higher cost to be assured that mandated staffing levels are maintained. After conducting a wage survey of the nearby health care facilities in the spring of 2008, Senior and Long Term Care Division (SLTC) will determine if MVH direct care staff wages (RN's, LPN's and CNA's) have remained competitive. In the event that there is a disparity of \$2.00 per hour or more, a wage increase of \$1.50 per hour would be authorized for licensed staff to remain competitive with other employers. If a wage disparity of \$1.00 per hour or more occurred for CNA's, a wage increase of \$.75 cents per hour would be authorized for CNA's to remain competitive with other employers. This contingency fund will provide the facility with resources so they could recruit and retain direct care staff. The cost of this proposal is \$183,000 in FY 09 only from the state special revenue derived from the cigarette tax.

Public Health & Human Services-6901 Addictive & Mental Disorders Division-33

Program Description - The Addictive and Mental Disorders Division (AMDD) is responsible for providing alcohol and drug prevention services, treatment and aftercare services, and mental health treatment services. Alcohol and drug services are provided through inpatient and outpatient settings. Direct inpatient services are provided at the 76-bed Montana Chemical Dependency Center (MCDC) in Butte. Other inpatient, outpatient, and prevention services are provided through contracts with community-based programs around the state.

Community-based mental health services are delivered to eligible Medicaid and non-Medicaid individuals through a network of providers around the state. Non-Medicaid services are delivered through the Mental Health Services Plan (MHSP) and provide services to individuals earning up to 150% of the federal poverty level. Montana State Hospital (MSH) at Warm Springs (189 licensed beds) and the Montana Mental Health Nursing Care Center (MMHNCC) at Lewistown (165 beds available / 75 beds budgeted) provide institutional services to individuals with mental illness. The services at MSH are typically of a short duration while services for residents at the MMHNCC are considered to be long term.

Statutory Authority - Mental health is in Title 53, Chapter 21, parts 1 through 7 and part 10, MCA, and P. L. 102-321, CFR. Chemical dependency is in Title 53, Chapters 1 and 24, MCA, and Part C, Title XIX of the Social Security Act.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Chemical Dependency Program unduplicated individuals in treatment	6,449	6,841	7,339	7,465	8,266	8,679
Adult Mental Health Medicaid Program Unduplicated number of people served (1)	12,920	13,586	13,913	14,191	14,475	14,765

(1) numbers from new Decision Support Software and subject to change.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	572.75	36.60	16.00	625.35	36.60	57.69	667.04
Personal Services	28,079,552	4,863,712	793,083	33,736,347	5,214,355	3,084,932	36,378,839
Operating Expenses	10,063,759	908,528	1,059,528	12,031,815	1,374,516	2,334,498	13,772,773
Equipment	27,000	0	30,000	57,000	0	0	27,000
Capital Outlay	0	0	450,000	450,000	0	0	0
Grants	6,634,137	0	4,151,912	10,786,049	0	4,152,683	10,786,820
Benefits & Claims	46,337,774	10,818,101	3,183,088	60,338,963	12,305,367	3,289,290	61,932,431
Debt Service	106,196	0	2,700	108,896	0	66,000	172,196
Total Costs	\$91,248,418	\$16,590,341	\$9,670,311	\$117,509,070	\$18,894,238	\$12,927,403	\$123,070,059
General Fund	44,871,341	7,595,457	5,560,267	58,027,065	8,764,185	9,058,553	62,694,079
State/Other Special	8,646,414	1,969,789	748,079	11,364,282	2,082,653	434,116	11,163,183
Federal Special	37,730,663	7,025,095	3,361,965	48,117,723	8,047,400	3,434,734	49,212,797
Total Funds	\$91,248,418	\$16,590,341	\$9,670,311	\$117,509,070	\$18,894,238	\$12,927,403	\$123,070,059

Public Health & Human Services-6901

Addictive & Mental Disorders Division-33

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$48,000	\$23,708
FY 2009	\$54,000	\$26,671

PL- 33101 - AMDD Operations Present Law Adjustments -

This request includes projected rent increases for Helena office building located on Fuller Avenue and increases to maintain electronic medical records at the facilities. The proposal requests \$102,000 total funds which includes \$50,379 of general fund over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 33201 - Medicaid FMAP - Chemical Dependency -

A change in the Federal Medical Assistance Percentage (FMAP) increases the amount of state special revenue necessary to maintain the Chemical Dependency Medicaid program. \$51,122 of state special revenue appropriation authority is requested over the biennium to cover the corresponding decrease in federal Medicaid funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$553,597	\$0
FY 2009	\$621,586	\$0

PL- 33202 - CD Medicaid Caseload Adjustment -

Chemical dependency Medicaid services are estimated to increase by 5% each year (\$126,421 and \$194,410, respectively in FY 2008 and FY 2009). Medicaid youth residential services are also expected to increase each year by \$427,176 for new providers that were not providing these services previously. This request is for \$1,175,183 total funds over the biennium including \$369,512 in state special revenue (alcohol tax) and \$805,671 in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$117,959	\$0
FY 2009	\$120,750	\$0

PL- 33301 - MCDC OT/Diff/Holiday Pay & Aggregate FTE Funding -

This request is for personal services costs that have been removed from the base budget and must be reauthorized by the legislature each biennium. These services include holidays worked, overtime, differential and physician on-call necessary to maintain minimum staffing requirements at a 24 hour a day, 7 days a week, 365 days a year facility. The appropriation authority requested is \$238,709 over the biennium from state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$81,707	\$0
FY 2009	\$126,670	\$0

PL- 33302 - MCDC Present Law Adjustments -

Montana Chemical Dependency Center is an inpatient chemical dependency treatment facility administered by the state. The present law adjustment is to request increases for pharmacy, outside medical, and facility rent and food services, which are essential costs related to operating the facility. \$208,377 is requested over the biennium from state special revenue.

Public Health & Human Services-6901

Addictive & Mental Disorders Division-33

Total Agency Impact General Fund Total

FY 2008	\$0	\$670,404
FY 2009	\$0	\$703,781

PL- 33401 - Medicaid FMAP - Mental Health -

A change in the Federal Medical Assistance Percentage (FMAP) increases the amount of general fund necessary to maintain the Mental Health Medicaid program. \$1,374,185 of general fund is requested over the biennium to cover the corresponding decrease in federal Medicaid funding.

Total Agency Impact General Fund Total

FY 2008	\$6,048,754	\$1,777,713
FY 2009	\$7,468,031	\$2,213,180

PL- 33402 - Medicaid Caseload Adjustment - Mental Health -

This proposal is to fund the anticipated caseload adjustment for Medicaid adult mental health services that include community services such as targeted case management, psychiatrists, hospitals, FQHC, rural health clinics, physicians and other mental health professionals, and mental health center providers. Caseload and service utilization are expected to grow at 3.5% per year. In addition to caseload inflation, this proposal includes the following caseload or utilization items: full funding of underutilized Medicaid Program for Assertive Community Treatment (PACT) and Intensive Community-Based Rehabilitation (ICBR) services; increased hospitalization usage and anticipated increase in the use of non-secure crisis stabilization beds due to enhanced focus on local crisis stabilization service development and a slight increase in the federal funds used to record institutional Medicaid costs. \$13,516,785 total funds are requested over the biennium, of which \$3,990,893 is general fund and \$175,624 is from state special revenue funding.

Total Agency Impact General Fund Total

FY 2008	\$4,215,750	\$0
FY 2009	\$4,215,750	\$0

PL- 33414 - Annualize HCBS Waiver -

The 2005 legislature accepted the executive proposal to implement a home and community-based Medicaid waiver for adults with a severe and disabling mental illness, similar to the waivers already administered for elderly, physically disabled, and developmentally disabled adults. This request continues the waiver assuming approximately 105 clients served in FY 2008 and FY 2009 at a daily rate of \$110/day. Depending on the required service intensity, additional eligible clients could be served. This budget request annualizes the budget received in fiscal year 2007 and is funded with tobacco tax (I-149 funding). This is a budget request for \$8,431,500 total funds over the biennium including \$2,650,864 in state special revenue funds.

Total Agency Impact General Fund Total

FY 2008	\$1,692,249	\$1,684,211
FY 2009	\$1,720,533	\$1,720,533

PL- 33501 - MSH OT/Diff/Holiday Pay & Aggregate FTE Funding -

This request is for personal services costs that have been removed from the base budget and must be reauthorized by the legislature each biennium. These services include holidays worked, overtime, differential and physician on-call necessary to maintain minimum staffing requirements at a 24 hour a day, 7 days a week, 365 days a year facility. The amount of general fund requested over the biennium is \$3,404,744 and the amount of state special revenue requested is \$8,038.

Public Health & Human Services-6901 Addictive & Mental Disorders Division-33

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$496,987	\$496,987
FY 2009	\$783,347	\$783,347

PL- 33502 - MSH Present Law Adjustments -

Montana State Hospital (MSH) is an inpatient psychiatric hospital for adults who have serious mental illnesses and require intensive treatment and rehabilitation not available in the community. The present law adjustment is to request increases for pharmacy, outside medical, food contract with Montana State Prison and replacement equipment, which are essential costs related to operating the facility. General fund of \$1,280,334 is requested over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,668,572	\$1,668,572
FY 2009	\$1,683,031	\$1,683,031

PL- 33503 - MSH 36.6 Modified FTE -

This is a request to continue 36.60 FTE added during state fiscal year 2006 to address increased workload. From fiscal year 2004 to 2005 admissions increased by 9%. While discharges from the hospital also increased from fiscal year 2004 to 2005, at the same time, the population has remained above licensed capacity. Federal hospital regulations and oversight increased staff workload. The additional staff is needed to meet these needs and increase treatment and therapeutic activities for the patients. This request is for \$3,351,603 general fund over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$495,861	\$495,861
FY 2009	\$507,504	\$507,504

PL- 33601 - MMHNCC OT/Diff/Holiday Pay & Aggregate FTE Funding -

This request is for personal services costs that have been removed from the base budget and must be reauthorized by the legislature each biennium. These services include holidays worked, overtime, differential and physician on-call necessary to maintain minimum staffing requirements at a 24 hour a day, 7 days a week, 365 days a year facility. The amount of general fund requested over the biennium is \$1,003,365.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$187,146	\$187,146
FY 2009	\$272,537	\$272,537

PL- 33602 - MMHNCC Present Law Adjustments -

Montana Mental Health Nursing Care Center (MMHNCC) is a long term care facility for persons who have a mental disorder. The present law adjustment is to request inflation increases for pharmacy, outside medical, replacement equipment and nursing facility bed tax, which are essential costs related to operating the facility. The amount of general fund requested over the biennium is \$459,683.

**Public Health & Human Services-6901
Addictive & Mental Disorders Division-33**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$79,484	\$0
FY 2009	\$79,574	\$0

NP- 33104 - Behavioral Health Program Facilitator -

This proposal requests to continue a shared position between AMDD and Department of Corrections (DOC). AMDD provides 1.00 FTE to coordinate treatment modality between agencies, while DOC provides funding of position and related operational costs, such as travel and supplies. The departments have a signed memorandum of understanding and DOC is charged for actual expenditures incurred. This request is for state special revenue authority for \$159,058 over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,000,000	\$2,000,000
FY 2009	\$2,000,000	\$2,000,000

NP- 33203 - Meth & CD Regional Services Expansion -

This proposal requests \$4 million in general fund over the biennium to implement a residential treatment service to address the longer-term support needed for the recovery from methamphetamine and other drugs and alcohol abuse. Evidence-based, patient-centered, and outcome-oriented chemical dependency interventions will be the basis for treatment. The population served is often individuals with a co-occurring illness, who may be in the correctional system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$1,000,000	\$1,000,000

NP- 33204 - Methamphetamine Prevention - OTO -

This proposal is to continue the goal of preventing meth use by use of a media campaign such as the Montana Meth Project. This project is focused on advertising in Montana -- involving television, newspapers, radio, billboards and movie screens -- to focus attention of the negative impact to people, families, and communities through the use of methamphetamine. This will assist in sustaining the private on going effort to call attention to this issue through concentrated media exposure. The division requests \$1 million of general fund, one-time-only funding, in the second year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,332,000	\$0
FY 2009	\$2,332,000	\$0

NP- 33206 - Strategic Prevention Framework Incentive Grant -

This proposal requests \$4,664,000 in federal funding for the biennium to implement the State Prevention Framework-State Incentive Grant. This grant focuses on infrastructure and capacity building at state and community levels to deliver and sustain effective substance abuse prevention services. Two modified FTE's will be required to monitor and assist with the management of this grant. The FTE would be responsible for the implementation of the grant, day to day activities, performance monitoring and training for providers. The funding will also provide for data collection and analysis, personnel training and the development of state certification criteria for Prevention Specialists, among other activities. The division will allocate funding to individual communities to implement evidence-based prevention programs.

Public Health & Human Services-6901

Addictive & Mental Disorders Division-33

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$340,906	\$0
FY 2009	\$344,518	\$0

NP- 33304 - MCDC Staff (Modified and Other) -

This new proposal requests continuation of 6.0 modified FTE added in SFY 07 due to patient and staff safety issues. Operating costs and equipment are also required. \$685,424 of state special revenue is requested over the biennium for these costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,032,770	\$1,861,245
FY 2009	\$2,032,770	\$1,860,334

NP- 33407 - Fund 72 hr Community Crisis Support -

The Addictive and Mental Disorders Division is requesting \$3,721,579 General Fund and \$343,961 Federal Funds for the biennium to provide funding for up to 72 hours of crisis stabilization care for adults with severe disabling mental illness, who are uninsured. Care could be provided in a community and/or hospital setting based upon the individual's needs. Determination of appropriate crisis stabilization care will be made by a licensed mental health professional. Services to hospitals may be delivered through a contracted psychiatric assistance hotline and may include specific emergency department training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$585,226	\$585,226
FY 2009	\$535,165	\$535,165

NP- 33410 - Mental Health Community Services Development -

The Addictive and Mental Disorders Division is requesting \$1,120,391 General Fund for the biennium for community services development. Development of community services to improve opportunities for adults with serious mental illness to live and work in the community includes the following components:

Limited funding support for patients discharged from the Montana State Hospital; mental health community liaison officers; development of a peer support implementation plan, and contracting for a workforce development and retention study.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$142,200	\$0
FY 2009	\$142,200	\$0

NP- 33413 - Federal Data Infrastructure Grant -

The department received a federal data infrastructure grant to continue to develop data capacity within the Mental Health Bureau. This requests the federal appropriation to hire a Behavioral Health Data Analyst 1.00 FTE and related operating and equipment. \$284,400 of federal appropriation authority is requested over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,325,409	\$281,480
FY 2009	\$1,432,436	\$282,251

NP- 33701 - Provider Rate Increases -

This decision package requests increases for provider rates by 2.5% for the biennium. Total funds requested are \$2,757,845 with \$563,731 general funds and \$689,776 I-149 Tobacco Initiative funds.

**Public Health & Human Services-6901
Addictive & Mental Disorders Division-33**

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$832,316	\$832,316
FY 2009	\$3,028,740	\$3,380,803

NP- 33506 - Secure Treatment & Examination Program (STEP) -

The DPHHS is requesting \$4,213,119 General Fund for the biennium to provide funding for the Secure Treatment and Examination Program (STEP). This funding includes 41.69 FTE in FY 2009 (approximately two-thirds of the total, new FTE which will be needed for the program). STEP will provide mental health and addiction treatment services for offenders who have been charged and/or convicted of criminal acts and are, by court order in a criminal proceeding, placed into the custody of either the Department of Corrections or the Department of Public Health and Human Services for examination, treatment, incarceration, or custody.

The STEP program will include provision of appropriate treatment and rehabilitation services to address the psychiatric illnesses and substance use disorders of the target offender population while learning basic life skills, such as the ability to socialize and communicate with others, essential for fostering recovery. The program will include establishment of connections with family, the community, and other forces that motivate positive social behavior and provide support when people's resources are inadequate.

Language Recommendations

DP 33506 - The Secure Treatment and Examination Program (STEP) proposal is contingent on the passage of legislation, LC#xxx.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION C: NATURAL RESOURCES & COMMERCE

Dept of Fish, Wildlife & Parks
Dept of Environmental Quality
Dept of Livestock

Dept of Natural Resources & Conservation
Dept of Agriculture
Dept of Commerce

OBPP Staff:

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Dept Of Fish, Wildlife & Parks-5201

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - Montana Fish, Wildlife & Parks, through our employees and citizen commission, provides for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

Statutory Authority - Title 87 and 23, MCA.

Language - "If the department receives additional federal special revenue for services comparable to those with general license revenue or is required to adjust personal services expenditures between state and federal accounts, the approving authority may adjust the state special revenue appropriation and the federal appropriation by like amounts."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	659.85	14.75	5.00	679.60	15.75	5.00	680.60
Personal Services	31,173,981	4,230,144	216,770	35,620,895	4,400,061	215,553	35,789,595
Operating Expenses	24,251,674	3,806,204	2,218,000	30,275,878	3,715,325	2,199,000	30,165,999
Equipment	773,754	260,500	31,000	1,065,254	238,000	20,000	1,031,754
Grants	947,419	(10,750)	0	936,669	(10,750)	0	936,669
Benefits & Claims	6,188	0	0	6,188	0	0	6,188
Transfers	26,463	73,189	0	99,652	73,189	0	99,652
Total Costs	\$57,179,479	\$8,359,287	\$2,465,770	\$68,004,536	\$8,415,825	\$2,434,553	\$68,029,857
General Fund	0	139,032	500,000	639,032	116,612	500,000	616,612
State/Other Special	41,524,440	5,487,727	3,818,285	50,830,452	5,547,961	3,787,068	50,859,469
Federal Special	15,655,039	2,732,528	(1,852,515)	16,535,052	2,751,252	(1,852,515)	16,553,776
Total Funds	\$57,179,479	\$8,359,287	\$2,465,770	\$68,004,536	\$8,415,825	\$2,434,553	\$68,029,857

Dept Of Fish, Wildlife & Parks-5201

Information Services Division-01

Program Description - Information Services provides information technology and information management services to the entire department including, but not limited to:

- Network creation and administration;
- Hardware and off-the-shelf software procurement and configuration;
- Support of automated license sales and drawings;
- Intranet and Internet communications;
- Software development, deployment and support, and GIS, GPS, and all database management.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
# of technology users supported	N/A	N/A	1,100	1,133	1,167	1,202
# of software applications developed/supported	N/A*	N/A*	70	77	85	94
# of web site visits	1,539,168	1,861,239	2,509,227	3,261,995	4,240,594	5,512,771

*Software applications were provided through several entities rather than a centralized division, so numbers are not readily available.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	35.50	0.00	0.00	35.50	0.00	0.00	35.50
Personal Services	1,698,541	485,876	0	2,184,417	492,956	0	2,191,497
Operating Expenses	1,310,541	263,488	0	1,574,029	334,812	0	1,645,353
Equipment	24,500	0	0	24,500	0	0	24,500
Grants	69,389	0	0	69,389	0	0	69,389
Total Costs	\$3,102,971	\$749,364	\$0	\$3,852,335	\$827,768	\$0	\$3,930,739
State/Other Special	2,535,049	978,451	179,034	3,692,534	1,056,706	179,034	3,770,789
Federal Special	567,922	(229,087)	(179,034)	159,801	(228,938)	(179,034)	159,950
Total Funds	\$3,102,971	\$749,364	\$0	\$3,852,335	\$827,768	\$0	\$3,930,739

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 103 - Information Services Overhead Refund -

This budget request switches funding of \$179,034 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Dept Of Fish, Wildlife & Parks-5201 Field Services Division-02

Please note that this program also contains proprietary funds (see section P).

Program Description - The Field Services Division provides services in the following areas. The Landowner Sportsman Relations Unit establishes and maintains communications with users, resource-based organizations, and individuals; provides coordination for FWP weed management, livestock reimbursement, and landowner assistance functions; and administers the Living With Wildlife, Game Damage, Block Management, and Access Montana hunting access enhancement programs. The Living With Wildlife program provides grants to agencies, local government, and non-government organizations to reduce human/wildlife conflicts in urban and suburban settings. The Game Damage program provides assistance to landowners in minimizing impacts of game animals to property and crops. The Block Management and Access Montana programs provide tangible benefits to landowners to offset potential impacts associated with public hunting access on private property or to obtain public hunting access to public land.

The Design and Construction Bureau administers the department's Crossing the Barriers program and provides architectural and engineering services for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas.

The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation for the department.

The Land Unit is responsible for the real estate functions of the department, including the preparation of conservation easement terms and amendments, acquisition and disposal of real estate and real property, and management of all permanent land records.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of acres enrolled in block management	8,761,894	8,767,805	8,528,241	8,700,000	8,700,000	8,700,000
Number of hunter days on block management land	408,093	411,299	421,754	430,000	430,000	430,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	45.80	1.00	0.00	46.80	1.00	0.00	46.80
Personal Services	2,050,511	184,052	0	2,234,563	191,399	0	2,241,910
Operating Expenses	6,522,533	913,378	0	7,435,911	944,130	0	7,466,663
Equipment	6,458	0	0	6,458	0	0	6,458
Grants	30,681	1,820	0	32,501	1,820	0	32,501
Benefits & Claims	6,188	0	0	6,188	0	0	6,188
Total Costs	\$8,616,371	\$1,099,250	\$0	\$9,715,621	\$1,137,349	\$0	\$9,753,720
State/Other Special	7,866,985	1,084,383	290,841	9,242,209	1,116,834	290,841	9,274,660
Federal Special	749,386	14,867	(290,841)	473,412	20,515	(290,841)	479,060
Total Funds	\$8,616,371	\$1,099,250	\$0	\$9,715,621	\$1,137,349	\$0	\$9,753,720

**Dept Of Fish, Wildlife & Parks-5201
Field Services Division-02**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$660,000	\$0
FY 2009	\$660,000	\$0

PL- 201 - Block Management -

This request restores \$660,000 each year of the biennium of state special revenue to the operational budget at the level authorized by the last legislature. Funding comes from the annual raffle of a moose, sheep, goat, deer, and elk super tag and variable priced outfitter sponsored non-resident deer and elk licenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$84,428	\$0
FY 2009	\$109,029	\$0

PL- 202 - Tax Adjustment -

This budget request restores \$84,428 in FY 2008 and \$109,029 in FY 2009 of state and federal special revenue to cover anticipated tax liabilities for land and administrative facilities owned or leased by the department.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,247	\$0
FY 2009	\$22,247	\$0

PL- 203 - Game Damage Elk Herders -

The Executive recommends this request of \$22,247 state special revenue each year of the 2009 biennium to restore the base budget to hire short-term works to herd game animals away from crops and stored hay and or grain as a means to mitigate game damage on private property. The funding was authorized by the previous legislature, but because of the way personal services are funded for these type of short-term workers, the expenditures were not carried forward in the base budget and needs to be restored.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,820	\$0
FY 2009	\$1,820	\$0

PL- 204 - Living With Wildlife Biennial -

This budget request of \$1,820 state special revenue for each year of the 2009 biennium will restore the biennial authority for the Living with Wildlife Grant Program. No change from the previously approved \$65,000 biennial budget is being requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$32,900	\$0
FY 2009	\$32,900	\$0

PL- 206 - Conservation Easement Land Steward -

The Executive recommends \$32,900 state special revenue each year of the 2009 biennium to partially fund 1.00 FTE to ensure the long-term stewardship obligation of the department in conservation easements.

Dept Of Fish, Wildlife & Parks-5201
Field Services Division-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$49,434	\$0
FY 2009	\$49,434	\$0

PL- 208 - Dam Safety Act Technical Adjustment -

The budget request of \$49,434 state special revenue each year of the 2009 biennium is recommended by the Executive to fund a part-time engineer and associated operations within the Department of Natural Resources and Conservation Services which provides dam safety expertise for the FWP owned water impoundment project.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 209 - Field Services Overhead Refund -

This budget request switches funding of \$290,841 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Dept Of Fish, Wildlife & Parks-5201 Fisheries Division-03

Program Description - The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities and aquatic wildlife stewardship. The division formulates and implements policies and programs that emphasize management for wild fish populations and the protection and restoration of habitat necessary to maintain these populations. The program:

- Operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited;
- Regulates angler harvests;
- Monitors fish populations; and
- Provides and maintains adequate public access.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of fish stocked (in millions)	46.3	32.0	47.0	60.0	60.0	60.0
Pounds of fish stocked	338,000	125,600	680,000	600,000	600,000	600,000
Fish habitat projects	41	40	40	40	50	50

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	143.02	2.00	0.00	145.02	3.00	0.00	146.02
Personal Services	6,619,541	1,274,608	0	7,894,149	1,338,007	0	7,957,548
Operating Expenses	3,801,751	869,351	1,050,000	5,721,102	881,984	1,050,000	5,733,735
Equipment	289,897	243,000	0	532,897	231,500	0	521,397
Grants	70,000	0	0	70,000	0	0	70,000
Total Costs	\$10,781,189	\$2,386,959	\$1,050,000	\$14,218,148	\$2,451,491	\$1,050,000	\$14,282,680
General Fund	0	0	250,000	250,000	0	250,000	250,000
State/Other Special	4,092,689	611,173	240,761	4,944,623	662,250	240,761	4,995,700
Federal Special	6,688,500	1,775,786	559,239	9,023,525	1,789,241	559,239	9,036,980
Total Funds	\$10,781,189	\$2,386,959	\$1,050,000	\$14,218,148	\$2,451,491	\$1,050,000	\$14,282,680

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$180,224	\$0
FY 2009	\$180,224	\$0

PL- 301 - Fort Peck Base Adjustments -

The Executive recommends \$180,224 state special revenue each year of the 2009 biennium for operational costs not captured in the base budget due to not being fully staffed or operational throughout the base year.

Dept Of Fish, Wildlife & Parks-5201 Fisheries Division-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,830	\$0
FY 2009	\$144,669	\$0

PL- 302 - Fish Management Biologists and Techs -

This budget request includes 2.00 FTE in FY 2008 and 3.00 FTE in FY 2009 and \$120,830 and \$144,669, of state and federal special revenue for the same years for fish management biologists and technicians. The additional FTE will be used to conduct monitoring of fish populations and provide better management of the most popular blue ribbon fisheries in the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$106,800	\$0
FY 2009	\$106,800	\$0

PL- 303 - Operations Cost Adjustment -

The Executive recommends \$106,800 each year of the 2009 biennium of state and federal special revenue for increased contractual and operating costs for the Fisheries Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$0
FY 2009	\$1,000,000	\$0

PL- 307 - Fisheries Legislative Contract Authority OTO -

This proposal is for \$1,000,000 each year of the 2009 biennium of one-time-only federal special revenue for short-term federal contract authority that becomes available in the interim.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,050,000	\$250,000
FY 2009	\$1,050,000	\$250,000

NP- 306 - Fisheries Statewide Wildlife Grants -

This budget request of \$500,000 general fund and \$400,000 state special revenue to match \$1,200,000 federal special revenue for the biennium will be used to conserve native fish and wildlife species and to reduce the potential for federal listing of species. The general fund portion of the request is proposed as one-time-only funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 308 - Fisheries Overhead Refund -

This budget request switches funding of \$40,761 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Language Recommendations - "During the 2009 biennium, if the department obtains federal funding for the operations of the Fort Peck Fish Hatcher, it must be used to replace state special revenue approved to fund personal services and operational costs of the hatchery."

Dept Of Fish, Wildlife & Parks-5201 Enforcement Division-04

Program Description - The Law Enforcement Division is responsible for ensuring compliance with laws and regulations pertaining to the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other protected wildlife species. The division also enforces the laws and regulations relative to lands or waters under agency jurisdiction and the recreation programs associated with the public lands and waters. These include programs such as; state parks, fishing access sites, state lands, boating safety, snowmobiles and off highway vehicles, outfitters/guides, block management patrols, and stream access enforcement. Other duties include commercial wildlife permitting, hunter education, public presentations, license vendor contacts, game damage response, urban wildlife activities, and assisting other law enforcement agencies as requested.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of Contacts	142,440	136,770	141,484	145,000	145,000	145,000
Number of Violations	12,498	9,968	11,589	12,000	12,000	12,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	108.73	2.00	2.00	112.73	2.00	2.00	112.73
Personal Services	5,730,967	484,823	86,118	6,301,908	508,053	86,262	6,325,282
Operating Expenses	1,565,863	347,417	43,000	1,956,280	344,917	24,000	1,934,780
Equipment	82,664	11,000	11,000	104,664	0	0	82,664
Grants	35,400	0	0	35,400	0	0	35,400
Total Costs	\$7,414,894	\$843,240	\$140,118	\$8,398,252	\$852,970	\$110,262	\$8,378,126
General Fund	0	139,032	0	139,032	116,612	0	116,612
State/Other Special	7,112,336	592,647	140,118	7,845,101	623,828	110,262	7,846,426
Federal Special	302,558	111,561	0	414,119	112,530	0	415,088
Total Funds	\$7,414,894	\$843,240	\$140,118	\$8,398,252	\$852,970	\$110,262	\$8,378,126

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$0
FY 2009	\$200,000	\$0

PL- 402 - Warden Overtime -

This budget request is recommended to restore state and federal special revenue of \$200,000 each year of the 2009 biennium for zero-based overtime in the Enforcement Division for wardens during holidays and peak work periods.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$18,561	\$0
FY 2009	\$18,561	\$0

PL- 403 - Block Management -

This request restores \$18,561 each year of the biennium of state special revenue to the operational budget for block management. Funding will be from the annual raffle of a moose, sheep, goat, deer, and elk super tag and variable priced outfitter sponsored non-resident deer and elk licenses.

Dept Of Fish, Wildlife & Parks-5201 Enforcement Division-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,200	\$0
FY 2009	\$6,200	\$0

PL- 404 - Parks Enforcement -

More emphasis is required and is being placed on State Parks enforcement. This necessitates an increase to the Parks funding in the Enforcement program. In addition, an unprecedented number of vacancies occurred during the base year. As a result, base year funding was not completely spent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$20,000	\$0
FY 2009	\$20,000	\$0

PL- 406 - Board of Outfitters -

The budget request of \$20,000 state special revenue for both FY 2008 and FY 2009 is for annual compliance checks and investigations per a Memorandum of Understanding with the Board of Outfitters.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$146,350	\$139,032
FY 2009	\$122,750	\$116,612

PL- 407 - Regional Investigators -

The Executive recommends 2.00 FTE and \$139,032 in FY 2008 and \$116,612 in FY 2009 general fund and \$7,318 in FY 2008 and \$6,138 in FY 2009 of state special revenue to increase investigations of resource abuse and commercialized wildlife crimes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$31,609	\$0
FY 2009	\$31,609	\$0

PL- 409 - Radio Dispatch -

This proposal of \$31,609 for both FY 2008 and FY 2009 of state special revenue will support an additional dispatcher at the Montana Highway Patrol dispatch center to handle the increased workload during evenings, weekends, and holidays and to coordinate FWP game warden responses, TIP-MONT, and license and violation database queries.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,000	\$0
FY 2009	\$30,000	\$0

PL- 410 - Off Highway Vehicle -

This budget request of \$30,000 state special revenue for both FY 2008 and FY 2009 will enable FWP to increase patrols and concentrate enforcement efforts on OHV due to increased complaints.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$0
FY 2009	\$15,000	\$0

PL- 411 - Legislative Contract Authority OTO -

This proposal is for \$15,000 each year of the 2009 biennium of one-time-only federal special revenue for short-term federal contract authority that becomes available in the interim.

**Dept Of Fish, Wildlife & Parks-5201
Enforcement Division-04**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$140,118	\$0
FY 2009	\$110,262	\$0

NP- 412 - State Lands Wardens -

The Executive recommends 2.00 FTE and state special revenue of \$140,118 in FY 2008 and \$110,262 in FY 2009 enabling DNRC to more effectively and efficiently provide unrestricted enforcement of the state land recreational use rules violations on trust land.

Dept Of Fish, Wildlife & Parks-5201 Wildlife Division-05

Program Description - The Wildlife Division is responsible for the department's statewide Wildlife Management Program, which enhances the use of Montana's renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public, including non-game wildlife, and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages animals legislatively categorized as big game, non-game wildlife, game birds, furbearers, and threatened and endangered species.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Acres of habitat acquired or enhanced	200,000	220,000	150,000	150,000	180,000	200,000
Regulations printed	695,000	787,000	680,000	680,000	680,000	680,000
Recreation day associated with hunting and trapping	2,728,311	3,200,000	2,900,000	3,000,000	3,000,000	3,000,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	101.43	2.50	0.00	103.93	2.50	0.00	103.93
Personal Services	5,169,939	631,435	0	5,801,374	656,135	0	5,826,074
Operating Expenses	2,677,895	949,035	1,050,000	4,676,930	956,560	1,050,000	4,684,455
Equipment	55,290	0	0	55,290	0	0	55,290
Grants	136,237	0	0	136,237	0	0	136,237
Total Costs	\$8,039,361	\$1,580,470	\$1,050,000	\$10,669,831	\$1,612,695	\$1,050,000	\$10,702,056
General Fund	0	0	250,000	250,000	0	250,000	250,000
State/Other Special	4,136,295	638,046	273,382	5,047,723	654,135	273,382	5,063,812
Federal Special	3,903,066	942,424	526,618	5,372,108	958,560	526,618	5,388,244
Total Funds	\$8,039,361	\$1,580,470	\$1,050,000	\$10,669,831	\$1,612,695	\$1,050,000	\$10,702,056

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$300,000	\$0
FY 2009	\$300,000	\$0

PL- 501 - Survey & Inventory Funding -

The budget request of 1.00 FTE and \$150,000 of both state and federal special revenue each year of the 2009 biennium will reauthorize a one-time-only appropriation from the 2007 biennium to fund a pilot and increased operational costs for completing, refining, and increasing the number of aerial wildlife surveys.

Dept Of Fish, Wildlife & Parks-5201
Wildlife Division-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$51,852	\$0
FY 2009	\$51,922	\$0

PL- 502 - R1 Wildlife Conflict Specialist -

The Executive recommends 1.00 FTE and \$51,852 in FY 2008 and \$51,922 in FY 2009 of state special revenue for a wildlife conflict specialist. The specialist's duties will focus on responding to nuisance black bears, mountain lions, and moose in the urban/wild land interface and has public safety aspects that are important considerations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$80,000	\$0
FY 2009	\$80,000	\$0

PL- 504 - Harvest Survey Automation -

This request of \$40,000 from both state and federal special revenue for both FY 2008 and FY 2009 will allow FWP to upgrade their Harvest Survey Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$34,479	\$0
FY 2009	\$34,479	\$0

PL- 505 - Black Bear Research OTO -

This proposal for 0.50 FTE and \$34,479 of both state and federal special revenue for each year of the 2009 biennium will restore one-time-only authority to complete DNA survey techniques and complete the final study report.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$0
FY 2009	\$500,000	\$0

PL- 510 - Legislative Contract Authority OTO -

This proposal is for \$500,000 each year of the 2009 biennium of one-time-only federal special revenue for short-term federal contract authority that becomes available in the interim.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$107,300	\$0
FY 2009	\$107,300	\$0

PL- 511 - Deer, Elk, Moose, Goat, Sheep Auctions -

This request restores \$107,300 each year of the 2009 biennium of state special revenue to the operational budget. Funding will be from the annual raffle of a moose, sheep, goat, deer, and elk auctions.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$41,100	\$0
FY 2009	\$41,100	\$0

PL- 513 - Migratory Bird Fund/Upland Game Bird -

The budget request of \$41,100 state special revenue for both FY 2008 and FY 2009 is for increased operation costs to implement the Wetland and the Upland Game Bird Programs.

Dept Of Fish, Wildlife & Parks-5201
Wildlife Division-05

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,050,000	\$250,000
FY 2009	\$1,050,000	\$250,000

NP- 507 - State Wildlife Grants (SWG) -

This budget request of \$500,000 general fund and \$400,000 state special revenue to match \$1,200,000 federal special revenue for the biennium to be used to conserve native fish and wildlife species and to reduce the potential for federal listing of species. The general fund portion of the request is proposed as one-time-only.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 514 - Wildlife Overhead Refund -

This budget request switches funding of \$73,382 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Dept Of Fish, Wildlife & Parks-5201

Parks Division-06

Please note that this program also contains proprietary funds (see section P).

Program Description - The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state, and for providing for their use and enjoyment. The program includes 50 parks, 13 affiliated lands such as rifle ranges and recreation sites managed by local and federal agencies, and 320 fishing access sites. Other programs administered by the division include motorized and non-motorized trail grants and local government recreation grants.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
State Park Visitation	1.6 million	1.65 million	1.70 million	1.75 million	1.80 million	1.85 million
Satisfaction with state park maintenance	85%	85%	86%	90%	90%	95%
Satisfaction with resources protection	85%	85%	85%	90%	90%	90%
Satisfaction with staff service	85%	90%	92%	95%	95%	95%
Satisfaction with park education programs	75%	75%	80%	85%	90%	90%
Satisfaction with feeling safe in parks	85%	85%	85%	85%	85%	85%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	101.08	6.25	0.00	107.33	6.25	0.00	107.33
Personal Services	3,958,323	568,992	0	4,527,315	587,549	0	4,545,872
Operating Expenses	2,482,606	261,742	0	2,744,348	268,167	0	2,750,773
Equipment	269,224	6,500	0	275,724	6,500	0	275,724
Grants	470,024	0	0	470,024	0	0	470,024
Total Costs	\$7,180,177	\$837,234	\$0	\$8,017,411	\$862,216	\$0	\$8,042,393
State/Other Special	6,848,900	777,234	117,317	7,743,451	802,216	117,317	7,768,433
Federal Special	331,277	60,000	(117,317)	273,960	60,000	(117,317)	273,960
Total Funds	\$7,180,177	\$837,234	\$0	\$8,017,411	\$862,216	\$0	\$8,042,393

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$68,508	\$0
FY 2009	\$68,508	\$0

PL- 603 - Land & Water Conservation Fund -

The budget request of \$68,508 of state special revenue in each year of the 2009 biennium is for operations to administer the land and water community grants program funded by the federal Land and Water Conservation Fund (LWCF).

**Dept Of Fish, Wildlife & Parks-5201
Parks Division-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,500	\$0
FY 2009	\$6,500	\$0

PL- 604 - Snowmobile Equipment BIEN -

This request of \$6,500 state special revenue for both FY 2008 and FY 2009 increases the biennial appropriation of state special revenue to a total of \$370,000 for the biennium for local snowmobile clubs to replace groomer equipment, groom trails, or maintain equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$37,819	\$0
FY 2009	\$37,819	\$0

PL- 605 - Community Service -

The budget request restores \$37,819 in FY 2008 and FY 2009 of state special revenue for funding of supervisors for community service program volunteers doing park maintenance projects. Because a modified FTE was used in FY 2006, the expenditures are not reflected in the base.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$98,547	\$0
FY 2009	\$98,671	\$0

PL- 606 - FAS Maintenance & Operations -

The Executive recommends 3.00 FTE and \$98,547 in FY 2008 and \$98,671 in FY 2009 of state special revenue to hire seasonal maintenance workers and supervisors to better maintain and manage Fishing Access Sites (FAS) statewide.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$95,820	\$0
FY 2009	\$95,886	\$0

PL- 607 - Parks Operations & Maintenance -

The budget request includes 1.75 FTE and \$95,820 in FY 2008 and \$95,886 in FY 2009 of state special revenue to hire seasonal staff to operate and maintain state parks.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,614	\$0
FY 2009	\$75,614	\$0

PL- 608 - Cultural & Historic Resource Staff -

This budget request includes 1.50 FTE and \$75,614 each year of the 2009 biennium of state special revenue to hire a full-time heritage coordinator to improve management and operations of heritage resources and cultural parks. A park ranger would be hired during the summer for the Rosebud Battlefield State Park to provide more maintenance and protection of the site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$60,000	\$0
FY 2009	\$60,000	\$0

PL- 611 - Parks Legislative Contract Authority OTO -

This proposal will provide one-time-only authority to spend from federal sources of funding that become available under contractual agreements during the interim.

Dept Of Fish, Wildlife & Parks-5201
Parks Division-06

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 610 - Parks Overhead Refund -

This budget request switches funding of \$117,317 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Dept Of Fish, Wildlife & Parks-5201 Communication And Education Div-08

Program Description - The Conservation Education Division, through its Helena office and seven regional information and education managers, coordinates the department's information and education programs and department planning efforts. Specific responsibilities include:

- Distributing public information through news releases, audio-visual materials, brochures, Montana Outdoors Magazine, and public service announcements;
- Coordinating youth education programs;
- Coordinating the production of hunting, fishing, and trapping regulations;
- Coordinating the hunter, bow-hunter, trapper, snowmobile, boat and off-highway vehicle education, and safety programs;
- Providing reception services including the sale of licenses and disseminating of licensing and regulation information for the department's Helena Headquarters; and
- Facilitating FWP's strategic planning process.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Hunter Ed students instructed	6,500	6,500	6,500	6,500	6,500	6,500
Bow-hunter Ed students instructed	2,500	2,500	2,500	2,500	2,500	2,500
Television Outdoor reports	52	48	50	50	48	48

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	28.55	0.00	0.00	28.55	0.00	0.00	28.55
Personal Services	1,502,995	134,003	0	1,636,998	139,748	0	1,642,743
Operating Expenses	1,407,958	68,832	0	1,476,790	123,871	0	1,531,829
Equipment	5,000	0	0	5,000	0	0	5,000
Grants	135,688	(12,570)	0	123,118	(12,570)	0	123,118
Total Costs	\$3,051,641	\$190,265	\$0	\$3,241,906	\$251,049	\$0	\$3,302,690
State/Other Special	2,197,805	190,265	134,406	2,522,476	251,049	134,406	2,583,260
Federal Special	853,836	0	(134,406)	719,430	0	(134,406)	719,430
Total Funds	\$3,051,641	\$190,265	\$0	\$3,241,906	\$251,049	\$0	\$3,302,690

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$9,074)	\$0
FY 2009	(\$9,074)	\$0

PL- 802 - Shooting Range Grants Biennial -

This reduction of \$9,074 each year of the 2009 biennium of state special revenue will restore the shooting range grants program authority to \$166,236 for the biennium.

Dept Of Fish, Wildlife & Parks-5201
Communication And Education Div-08

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,764	\$0
FY 2009	\$77,292	\$0

PL- 803 - The Wildlife Education Center RST -

The budget includes \$25,764 in FY 2008 and \$77,292 in FY 2009 of state special revenue for daily operations of an education center located at the Montana Wildlife Center at Spring Meadow Lake State Park in Helena.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000	\$0
FY 2009	\$5,000	\$0

PL- 804 - Off Highway Vehicle Education -

This request of \$5,000 each year of the 2009 biennium for state special revenue for off-highway-vehicle (OHV) educational programs, printing of maps and materials will increase the public information and safety efforts specific to OHV use.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 805 - Com & Ed Overhead Refund -

This budget request switches funding of \$134,406 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

Dept Of Fish, Wildlife & Parks-5201 Management And Finance-09

Please note that this program also contains proprietary funds (see section P).

Program Description - Management and Finance:

The Administration and Finance Division and the Department Management Division were reorganized into the Management and Finance Division.

The management sections of the division are responsible for:

- Overall department direction regarding policy, planning, program development, guidelines, and budgets.
- Liaison with the Governor's Office and the Legislature.
- Interaction with the Fish, Wildlife and Parks Commission.
- Decision-making for key resource activities affecting the department.
- Supervision of the seven divisions that provide program development and staff support.
- Supervision of the seven regional offices that are responsible for program implementation.
- Liaison with Montana's Indian tribes and with other state and federal agencies.
- Legal services for the department.
- Human Resource Management.

The Finance sections of the division provide for:

- Department-wide support for accounting.
- Fiscal management.
- Purchasing and property management.
- Federal aid administration.
- The sale of hunting, fishing, and other recreational licenses.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Personnel appraisals conducted (Performance Agreements)	88%	89%	98%	98%	98%	98%
%of employee participants in Leadership & Career Development Initiatives	75%	77%	90%	90%	90%	90%
License and Permit Sales (by license year)	1,751,581	1,752,315	1,787,361	1,823,109	1,859,571	1,896,763

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	95.74	1.00	3.00	99.74	1.00	3.00	99.74
Personal Services	4,443,164	466,355	130,652	5,040,171	486,214	129,291	5,058,669
Operating Expenses	4,482,527	132,961	75,000	4,690,488	(139,116)	75,000	4,418,411
Equipment	40,721	0	20,000	60,721	0	20,000	60,721
Transfers	26,463	73,189	0	99,652	73,189	0	99,652
Total Costs	\$8,992,875	\$672,505	\$225,652	\$9,891,032	\$420,287	\$224,291	\$9,637,453
State/Other Special	6,734,381	615,528	2,442,426	9,792,335	380,943	2,441,065	9,556,389
Federal Special	2,258,494	56,977	(2,216,774)	98,697	39,344	(2,216,774)	81,064
Total Funds	\$8,992,875	\$672,505	\$225,652	\$9,891,032	\$420,287	\$224,291	\$9,637,453

**Dept Of Fish, Wildlife & Parks-5201
Management And Finance-09**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$65,139	\$0
FY 2009	\$63,139	\$0

PL- 901 - State Wildlife Grants & Energy Development -

The budget includes 1.00 FTE and \$30,070 state special and \$96,208 federal special revenue for the biennium for a position to coordinate and implement Montana's Comprehensive Fish and Wildlife Conservation Strategy and to minimize the impacts of expanding energy development on fish and wildlife.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,000	\$0
FY 2009	\$30,000	\$0

PL- 903 - Citizen Advisory Committees -

The budget request of \$30,000 state special revenue each year of the 2009 biennium is to pay citizen members of advisory committees per diem and travel expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$0
FY 2009	\$15,000	\$0

PL- 904 - Area Offices Rent Increase -

This request for \$15,000 state special revenue for FY 2008 and FY 2009 will allow for relocation of the Lewistown Area Office in Region 4 and the Havre Area Office. Leases will expire in 2007 and the current locations are no longer cost effective nor do they accommodate existing staff sizes. In addition, public access and parking are restricted.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,189	\$0
FY 2009	\$73,189	\$0

PL- 905 - Search & Rescue Base Adjustment -

The Executive recommends \$73,189 state special revenue in both years of the 2009 biennium to restore authority for transferring cash to the Department of Military Affairs for costs associated with searching for hunters, anglers, or trappers by search and rescue clubs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$161,060	\$0
FY 2009	\$0	\$0

PL- 906 - Water Adjudication RST -

The budget request of \$161,060 in FY 2008 of state special revenue is for payment of water right fees associated with lands and in-stream flow on rivers and streams per HB 22 passed by the 2005 Legislature.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$16,000	\$0
FY 2009	\$16,000	\$0

PL- 907 - Commission Expense Adjustment -

The Executive recommends \$16,000 state special revenue each year of the 2009 biennium to restore authority for members of the Commission's honorarium and per diem.

Dept Of Fish, Wildlife & Parks-5201 Management And Finance-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,000	\$0
FY 2009	\$9,000	\$0

PL- 908 - Seasonal Overtime -

This budget request is recommended to restore state special revenue funding of \$9,000 each year of the 2009 biennium for overtime. The overtime is used in lieu of adding staff during peak workload periods for licensing, payroll, fiscal year end, and budget preparation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	(\$7,306)	\$0

PL- 911 - Statute Book Printing -

The budget includes a reduction of \$7,306 in FY 2009 of state special revenue for costs associated with cyclical printing costs. The department prints statute books following each legislative session to inform staff and the public of relevant laws pertaining to department programs.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 909 - Management & Finance Overhead Refund -

This budget request switches funding of \$2,216,774 for both FY 2008 and FY 2009 from federal special revenue to state special revenue to record indirect costs recovery in the fund which it was originally paid. The net impact on the division's budget is zero.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$225,652	\$0
FY 2009	\$224,291	\$0

NP- 915 - River Recreation Management Program -

The budget includes 3.00 FTE and funding of \$225,652 in FY 2008 and \$224,291 in FY 2009 of state special revenue for river recreation management and improvements to fishing access sites and to implement a commercial use permit system for department lands.

Dept. Of Environmental Quality-5301

Please note that this agency also contains proprietary funds (see section P)

Mission Statement - To protect, promote and improve a clean and healthful environment to benefit present and future generations.

Statutory Authority - Titles 2, 7, 37, 50, 69, 75, 76, 80, 82 and 90, MCA; USC 24, 30, 33 and 42; PL No. 92-500, 95-87, 91, 95-224 and 99-519.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	362.79	11.00	8.50	382.29	11.00	8.50	382.29
Personal Services	17,573,187	3,633,000	470,204	21,676,391	3,701,282	470,602	21,745,071
Operating Expenses	21,927,137	11,288,161	1,032,844	34,248,142	11,387,166	268,536	33,582,839
Equipment	122,112	300,005	0	422,117	50,005	0	172,117
Grants	1,637,948	357,000	0	1,994,948	385,000	0	2,022,948
Benefits & Claims	0	2,050,000	0	2,050,000	2,050,000	0	2,050,000
Debt Service	1,807	0	0	1,807	0	0	1,807
Total Costs	\$41,262,191	\$17,628,166	\$1,503,048	\$60,393,405	\$17,573,453	\$739,138	\$59,574,782
General Fund	3,780,841	3,017,493	1,014,568	7,812,902	2,819,539	269,904	6,870,284
State/Other Special	17,501,602	9,081,551	238,095	26,821,248	9,109,880	231,107	26,842,589
Federal Special	19,979,748	5,529,122	250,385	25,759,255	5,644,034	238,127	25,861,909
Expendable Trust	0	0	0	0	0	0	0
Total Funds	\$41,262,191	\$17,628,166	\$1,503,048	\$60,393,405	\$17,573,453	\$739,138	\$59,574,782

Dept. Of Environmental Quality-5301 Central Management Program-10

Please note that this program also contains proprietary funds (see section P).

Program Description - The Central Management Program consists of the Director's Office, a Financial Services Office, and an Information Technology Office. It is the organizational component of the DEQ responsible and accountable for the administration, management, planning, and evaluation of agency performance in carrying out department mission and statutory responsibilities. The Director's Office includes the director's staff, the deputy director, an administrative officer, public information officer, a centralized legal services unit, and a centralized personnel office. The Financial Services Office provides budgeting, accounting, payroll, procurement and contract management support to other divisions. The Information Technology Office provides information technology services support to other divisions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	10.00	2.00	0.00	12.00	2.00	0.00	12.00
Personal Services	541,448	319,809	0	861,257	323,646	0	865,094
Operating Expenses	1,133,321	1,239,168	0	2,372,489	1,045,887	0	2,179,208
Equipment	0	20,000	0	20,000	20,000	0	20,000
Total Costs	\$1,674,769	\$1,578,977	\$0	\$3,253,746	\$1,389,533	\$0	\$3,064,302
General Fund	316,482	1,058,320	0	1,374,802	859,767	0	1,176,249
State/Other Special	1,125,281	195,424	0	1,320,705	204,870	0	1,330,151
Federal Special	233,006	325,233	0	558,239	324,896	0	557,902
Total Funds	\$1,674,769	\$1,578,977	\$0	\$3,253,746	\$1,389,533	\$0	\$3,064,302

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$800,000	\$800,000

PL- 1001 - Business Process Improvement OTO -

DEQ proposes to analyze its existing business processes to identify and implement improvements in quality of service, efficiency, timeliness, consistency, and cost-effectiveness. Specific focus areas are accounts receivable and subdivision permit application and review. The DEQ was formed from parts of three former departments, each with a different way of doing business. This inconsistency sometimes leads to costly inefficiencies and delayed revenue collection. The Executive recommends a one-time-only biennial general fund appropriation of \$1,800,000 for this work.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$149,795	\$38,664
FY 2009	\$155,983	\$39,583

PL- 1002 - Central Management Operating Adjust -

The Executive recommends \$149,795 in FY 2008 and \$155,983 in FY 2009 of all funds for additional contracted services, office rent, and indirect costs as well as restoration of operating costs associated with vacancies during the base year.

**Dept. Of Environmental Quality-5301
Central Management Program-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$271,363	\$0
FY 2009	\$271,219	\$0

PL- 1003 - Central Management Information Technology Grants -

The budget request of \$271,363 in FY 2008 and \$271,219 in FY 2009 federal special revenue is recommended for upgrading databases and hardware to achieve the long-term goal of participating in the Environmental Information Network.

Dept. Of Environmental Quality-5301 Planning, Prevention & Assistance Div.-20

Program Description - The Planning, Prevention and Assistance Division 1) finances construction and improvement of community drinking water and wastewater systems, and provides engineering review and technical assistance to Montana communities water infrastructure planners; 2) assists small businesses in reducing emissions and complying with environmental regulations; 3) monitors air and water quality conditions, assesses potential pollution problems, and aids industry to achieve cost effective compliance; 4) assists communities to plan for energy, watershed, airshed, and solid and hazardous waste management; 5) helps develop water Total Maximum Daily Loads (TMDL); 6) proposes rules and policy and develops environmental protection criteria; 7) provides analysis to assess the cost effectiveness of environmental programs; 8) finances energy saving retrofits of public buildings and renewable energy systems for homeowners and small businesses; and 9) provides technical assistance and education to builders, homeowners, and businesses on energy efficiency and renewable energy, indoor air quality, radon, recycling, and solid waste reduction. The division consists of three bureaus: Technical and Financial Assistance, Water Quality Planning, and Air, Energy and Pollution Prevention.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	89.58	2.00	2.00	93.58	2.00	2.00	93.58
Personal Services	4,246,220	957,476	105,248	5,308,944	975,979	105,334	5,327,533
Operating Expenses	5,998,514	1,517,638	335,393	7,851,545	1,799,269	90,588	7,888,371
Equipment	97,490	285,836	0	383,326	35,836	0	133,326
Total Costs	\$10,342,224	\$2,760,950	\$440,641	\$13,543,815	\$2,811,084	\$195,922	\$13,349,230
General Fund	2,155,109	730,501	440,641	3,326,251	739,164	195,922	3,090,195
State/Other Special	801,695	375,133	0	1,176,828	362,178	0	1,163,873
Federal Special	7,385,420	1,655,316	0	9,040,736	1,709,742	0	9,095,162
Total Funds	\$10,342,224	\$2,760,950	\$440,641	\$13,543,815	\$2,811,084	\$195,922	\$13,349,230

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,000	\$0
FY 2009	\$35,000	\$0

PL- 2005 - Increase Waste Reduction & Recycling -

This budget request of \$35,000 state special revenue for each year of the 2009 biennium is recommended to expand waste reduction and recycling efforts in the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$72,401	\$18,100
FY 2009	\$70,148	\$17,537

PL- 2009 - Wetland Pilot Project FTE -

The Executive recommends 1.00 FTE and approximately \$18,000 general fund and approximately \$71,000 federal special revenue each year of the 2009 biennium for a pilot grant to develop two different assessment tools to track wetland gains and losses.

**Dept. Of Environmental Quality-5301
Planning, Prevention & Assistance Div.-20**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,901,681	\$314,983
FY 2009	\$1,929,431	\$312,293

PL- 2010 - PPA Operating Adjustment -

The department requests \$1,901,681 in FY 2008 and \$1,929,431 in FY 2009 from all funds to restore the base operating expenses in the Planning, Prevention, & Assistance Division that were not expended in the base year due to vacancies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$80,103	\$80,103
FY 2009	\$79,814	\$79,814

PL-2013 – State Building Energy Conservation FTE –

The Executive recommends 1.00 FTE and approximately \$80,000 general fund each year of the biennium to provide dedicated staff for the State Building Energy Conservation Program. The current program is staffed on an ad-hoc basis from other positions within the division. Due to the success of the program and the increased demand due to high energy costs and increased potential savings, a permanent full-time position for the program is necessary.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,000	\$30,000
FY 2009	\$30,000	\$30,000

NP- 2001 - Annual Maintenance for Relational Database Mgt System IT -

The budget request of \$30,000 general fund each year of the 2009 biennium is recommended to fund the annual maintenance of the Water Quality Assessment, Reporting, and Documentation System (WARD) which is key to the assessment of impaired water bodies and the development of Total Maximum Daily Loads (TMDL) that address those impairments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$160,641	\$160,641
FY 2009	\$165,922	\$165,922

NP- 2006 - Restore Energy Planning Functions -

The Executive recommends 2.00 FTE and general fund of \$160,641 in FY 2008 and \$165,922 in FY 2009 to restore and provide statutorily required energy analysis and policy support for new challenges associated with a significant expansion of state and regional electric transmission infrastructure.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$0	\$0

NP- 2007 - Biofuels Testing - OTO -

The Executive recommends a \$250,000 one-time-only biennial general fund appropriation in the Planning, Prevention, & Assistance Division. The appropriation will be used to purchase equipment to test Montana-produced biofuels to ensure they meet national standards, which allows them to be sold on the market. Without such equipment available in Montana, such testing is cost prohibitive for all but the largest producers.

Language Recommendations - "The department is authorized to decrease federal special revenue in the water pollution control and/or drinking water revolving loan programs, and to increase state special revenue by a like amount within the special administration account when the amount of federal capitalization funds have been expended or federal funds and bond proceeds will be used for other program purposes."

Dept. Of Environmental Quality-5301 Enforcement Division-30

Program Description - The Enforcement Division is the central control for activities designed to facilitate the enforcement of the statutes and regulations administered by the department. The division develops department enforcement policies and procedures for approval by the director and ensures they are implemented in a consistent manner across the department. A citizen complaint clearinghouse and information tracking system is maintained by the division. The division coordinates the legal and technical aspects of enforcement cases, both administrative and judicial, and monitors violators to determine compliance with department orders.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	14.00	1.00	0.00	15.00	1.00	0.00	15.00
Personal Services	706,737	136,485	0	843,222	139,216	0	845,953
Operating Expenses	308,921	26,828	0	335,749	14,044	0	322,965
Total Costs	\$1,015,658	\$163,313	\$0	\$1,178,971	\$153,260	\$0	\$1,168,918
General Fund	404,184	109,997	0	514,181	100,663	0	504,847
State/Other Special	251,636	98,605	0	350,241	98,228	0	349,864
Federal Special	359,838	(45,289)	0	314,549	(45,631)	0	314,207
Total Funds	\$1,015,658	\$163,313	\$0	\$1,178,971	\$153,260	\$0	\$1,168,918

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$21,619	\$8,574
FY 2009	\$16,645	\$6,601

PL- 3001 - Enforcement Operations Adjustments -

The budget includes \$21,619 in FY 2008 and \$16, 645 in FY 2009 of all funds to restore budget authority for contracts services, travel, and indirect costs. Adjustments are necessary to allow staff to respond to and document citizen complaints and spills.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$77,230	\$77,230
FY 2009	\$68,368	\$68,368

PL- 3002 - Enforcement Division New FTE -

The Executive recommends 1.00 FTE and general fund of \$77,230 in FY 2008 and \$68,368 in FY 2009 for an additional position and operating costs to address violations and citizen complaints more effectively.

Dept. Of Environmental Quality-5301

Remediation Division-40

Program Description - The Remediation Division protects human health and the environment by preventing exposure to hazardous substances that have been released to soil, sediment, surface water, or groundwater. The division also ensures compliance with state and federal regulations. It oversees and conducts investigation and cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned mine lands; implements corrective actions at sites with leaking underground storage tanks; and oversees groundwater remediation at sites where improper placement of wastes has caused groundwater contamination. This division is divided into two bureaus. The Hazardous Waste Site Cleanup Bureau (HWSCB) oversees or conducts the investigation and cleanup of sites contaminated by chemical spills, hazardous substances, and petroleum released by industrial and commercial operations other than mining. The bureau works with the Petroleum Tank Release Compensation Board for eligibility and reimbursement determinations and provides grants to local governments for compliance assistance. The Mine Waste Cleanup Bureau (MWCB) is responsible for administering and overseeing remedial actions at historical mine sites, abandoned mines, ore-transport and processing facilities. It also oversees the provisions of the federal Comprehensive Environmental Response and Liability Act (CERCLA or federal Superfund program).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	61.76	0.00	0.00	61.76	0.00	0.00	61.76
Personal Services	2,847,299	617,299	0	3,464,598	628,959	0	3,476,258
Operating Expenses	7,983,127	3,687,811	0	11,670,938	3,716,667	0	11,699,794
Equipment	5,831	(5,831)	0	0	(5,831)	0	0
Benefits & Claims	0	2,050,000	0	2,050,000	2,050,000	0	2,050,000
Debt Service	1,807	0	0	1,807	0	0	1,807
Total Costs	\$10,838,064	\$6,349,279	\$0	\$17,187,343	\$6,389,795	\$0	\$17,227,859
General Fund	0	1,000,000	0	1,000,000	1,000,000	0	1,000,000
State/Other Special	3,472,724	3,797,851	0	7,270,575	3,797,932	0	7,270,656
Federal Special	7,365,340	1,551,428	0	8,916,768	1,591,863	0	8,957,203
Total Funds	\$10,838,064	\$6,349,279	\$0	\$17,187,343	\$6,389,795	\$0	\$17,227,859

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$488,435)	\$0
FY 2009	(\$464,852)	\$0

PL- 4001 - Remediation Operations Adjustment -

This budget reduction of state and federal special revenue of \$488,435 in FY 2008 and \$464,852 in FY 2009 is due to decreases in program funding. Some budget adjustments are also required due to staff vacancies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,700,000	\$0
FY 2009	\$2,700,000	\$0

PL- 4002 - Bond Sale for state obligations at Superfund sites -

The Executive recommends \$5.4 million state special revenue over the 2009 biennium to spend bond proceeds from CERCLA bonds sold under the authority of 75-10-623, MCA. This would allow expenditures for state obligations at the 10-Mile, Libby, East Helena, and Carpenter Snow Creek.

**Dept. Of Environmental Quality-5301
Remediation Division-40**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$99,881	\$0
FY 2009	\$99,880	\$0

PL- 4003 - Hazardous Waste Cleanup Bureau LUST Trust BIE -

The department requests a \$199,761 state special revenue biennial appropriation for the departments' Petroleum Release Section. The department is required to recover federal grant funds expended in the cleanup of contamination from certain federally defined tanks. Under Leaking Underground Storage Tank (LUST) federal law, any state-recovered monies must continue to be used for cleanup of other sites also meeting federal LUST site criteria.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$95,000	\$0
FY 2009	\$95,000	\$0

PL- 4004 - Mine Waste Cleanup Bureau Beal (BIEN) -

The Executive recommends \$95,000 state special revenue each year of the 2009 biennium to expend the remaining funds that the DEQ recovered from its bond forfeiture action at the Pegasus Beal Mountain mine for post-bankruptcy management of the former Pegasus Beal Mountain mine site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$366,753	\$0
FY 2009	\$366,752	\$0

PL- 4006 - Mine Waste Cleanup Bureau Libby Troy (BIEN) -

The Executive recommends \$733,505 biennial federal special revenue for additional investigation and remediation planning at the Libby Troy Asbestos site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$2,050,000	\$0
FY 2009	\$2,050,000	\$0

PL- 4007 - Orphan Share Claims Payments (RST/BIEN) -

This budget request of \$2.05 million state special revenue each year of the biennium is recommended to reimburse remedial action costs claimed for the orphan's share of eligible remedial action costs for contaminated sites and to defend the liability allocation process in these cleanups.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$1,000,000	\$1,000,000

PL- 4008 - Accelerated Remediation Selected CECRA Sites OTO -

The Executive recommends \$1 million one-time-only general fund each year of the 2009 biennium for contracted services for conducting remedial investigation and subsequent activities to address contaminants affecting human health and the environment at the Upper Blackfoot Mining Complex (UBMC) facility. These expenditures are cost recoverable.

Dept. Of Environmental Quality-5301

Permitting & Compliance Div.-50

Program Description - The Permitting and Compliance Division administers all DEQ permitting and compliance activities based on 25 state regulatory and five related federal authorities. The division: 1) reviews and assesses environmental permit applications (coordinating with other state, local, and federal agencies) to determine control measures needed to ensure compliance with the law and to prevent land, water, and air conditions detrimental to public health welfare, safety, and the environment; 2) prepares supporting environmental documents under the Montana Environmental Policy Act and provides training and technical assistance when needed; 3) inspects to determine compliance with permit conditions, laws, and rules; and 4) when compliance problems are discovered, provides assistance to resolve the facility's compliance issues, and when necessary recommends formal enforcement actions to the Enforcement Division. Activities are organized in the Air Resources Management Bureau (air); Industrial and Energy Minerals Bureau (coal, uranium, opencut); Environmental Management Bureau (hard rock, facility siting); Public Water and Subdivision Bureau (public water supply and subdivision); Water Protection Bureau (water discharge); and Waste and Underground Tank Management Bureau (solid waste, junk vehicles, septage pumpers, hazardous waste, asbestos, underground storage tanks).

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	181.45	6.00	6.50	193.95	6.00	6.50	193.95
Personal Services	8,938,144	1,587,391	364,956	10,890,491	1,617,755	365,268	10,921,167
Operating Expenses	6,176,660	4,779,602	697,451	11,653,713	4,773,086	177,948	11,127,694
Equipment	18,791	0	0	18,791	0	0	18,791
Grants	1,637,948	357,000	0	1,994,948	385,000	0	2,022,948
Total Costs	\$16,771,543	\$6,723,993	\$1,062,407	\$24,557,943	\$6,775,841	\$543,216	\$24,090,600
General Fund	905,066	118,675	573,927	1,597,668	119,945	73,982	1,098,993
State/Other Special	11,230,333	4,562,884	238,095	16,031,312	4,592,732	231,107	16,054,172
Federal Special	4,636,144	2,042,434	250,385	6,928,963	2,063,164	238,127	6,937,435
Expendable Trust	0	0	0	0	0	0	0
Total Funds	\$16,771,543	\$6,723,993	\$1,062,407	\$24,557,943	\$6,775,841	\$543,216	\$24,090,600

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$286,771	\$0
FY 2009	\$276,343	\$0

PL- 5001 - Oil & Gas Well Registration FTE -

The state and federal special revenue request includes 3.00 FTE and \$286,771 in FY 2008 and \$276,343 in FY 2009 to implement current regulatory requirements applicable to conventional oil and gas well facilities and to provide technical support to the Bureau of Land Management (BLM). The department anticipates increased new registrations or permit applicators from oil and gas well facilities and an increase in air quality permit applications.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,076	\$0
FY 2009	\$71,922	\$0

PL- 5002 - Permitting Major Sources of Air Pollution FTE -

The Executive recommends an increase of 1.00 FTE and state special revenue of \$75,076 in FY 2008 and \$71,922 in FY 2009 for personal services and associated operating costs. Title V of the Federal Clean Air Act requires regulatory agencies to conduct detailed compliance evaluations to ensure companies are complying with all applicable air quality regulations, and to ensure that human health is being protected.

Dept. Of Environmental Quality-5301
Permitting & Compliance Div.-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$77,250	\$0
FY 2009	\$78,000	\$0

PL- 5003 - Air Online Compliance Reporting-RST/OTO/BIE -

This budget request of biennial one-time-only restricted state special revenue of \$77,250 in FY 2008 and \$78,000 in FY 2009 to modify the department's agency-wide database to allow regulated facilities to submit required compliance reports online.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,076	\$0
FY 2009	\$71,922	\$0

PL- 5005 - Air Pollutant Emission Tracking -

This state special revenue budget request includes the addition of 1.00 FTE and \$75,076 in FY 2008 and \$71,922 in FY 2009 to inventory and track emissions of air pollutants from all emission sources in order to implement the requirements of the New Source Review permitting program, and to implement the requirements of the Montana and Federal Clean Air Acts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$66,950	\$13,390
FY 2009	\$67,600	\$13,520

PL- 5006 - Air Resources Bureau Relocation-RST/OTO/BIE -

The Executive recommends this restricted one-time-only biennial budget request of \$66,950 in FY 2008 and \$67,600 in FY 2009 for relocation of the Air Resources Management Bureau. With the increase of FTE the department will need to relocate the bureau or other staff within the Metcalf Building.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$38,167	\$2,727
FY 2009	\$40,635	\$3,026

PL- 5009 - PCD Vehicles Owned and Leased -

This budget request of \$38,167 in FY 2008 and \$40,635 in FY 2009 is for replacement of six vehicles that are currently owned by the department and two leased vehicles from the state Motor Pool.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,725	\$0
FY 2009	\$7,800	\$0

PL- 5011 - Aerial Reconnaissance in Coal Mine Inspection -

The budget includes \$7,725 in FY 2008 and \$7,800 in FY 2009 of state special revenue to support helicopter flights twice annually in the inspection and compliance evaluation program. It would be beneficial to electronically document landscape references or standards for comparison between pre-mine and reclamation landscapes for future administrative and regulatory purposes.

Dept. Of Environmental Quality-5301
Permitting & Compliance Div.-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,061,131	\$0
FY 2009	\$3,091,131	\$0

PL- 5012 - Hard Rock & MFSA Projects-RST/BIE -

This request is for \$3,061,131 in FY 2008 and \$3,091,131 in FY 2009 of restricted biennial state and federal special revenue for projects administered by the Hard Rock and Major Facility Siting Act (MFSA) Programs and associated indirect costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$33,438	\$0
FY 2009	\$33,750	\$0

PL- 5015 - Industrial Wastewater Operator Cert BIE/OTO -

The Executive recommends a biennial one-time-only state special revenue appropriation of \$33,438 for FY 2008 and \$33,750 for FY 2009 to examine the industrial wastewater certification categories, develop new categories, and develop corresponding prescriptive industrial wastewater exams and study materials.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,900	\$0
FY 2009	\$31,200	\$0

PL- 5016 - High Strength Wastewater Standards BIE/OTO -

This request for biennial one-time-only state special revenue of \$30,900 in FY 2008 and \$31,200 in FY 2009 is to prepare a new circular or addition to DEQ-4 on non-residential strength wastewater treatment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$51,500	\$0
FY 2009	\$52,000	\$0

PL- 5017 - Subdivision Training IT -

The budget includes \$51,500 in FY 2008 and \$52,000 in FY 2009 of state special revenue for contractor review of subdivision applications and Internet-based application maintenance.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$80,478	\$0
FY 2009	\$77,530	\$0

PL- 5018 - Public Water Supply - Kalispell FTE -

This state and federal special revenue budget request includes the addition of 1.00 FTE and \$80,478 in FY 2008 and \$77,530 in FY 2009 to provide technical assistance, compliance assistance, engineering review, operator training, and sanitary inspections to public water supply systems. The position would be located in the department's Kalispell Regional Office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$243,000	\$0
FY 2009	\$243,000	\$0

PL- 5019 - Subdivision Grants to Counties -

The Executive recommends state special revenue of \$243,000 each year of the 2009 biennium for county contracts to perform subdivision reviews.

Dept. Of Environmental Quality-5301
Permitting & Compliance Div.-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$119,600	\$0
FY 2009	\$118,450	\$0

PL- 5024 - Brownsfields Grant BIEN-

This biennial budget request of \$119,600 in FY 2008 and \$118,450 in FY 2009 of federal special revenue will be used to establish and enhance the Hazardous Waste Section Brownfields response program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,161,952	\$58,878
FY 2009	\$1,153,462	\$57,723

PL- 5026 - Permitting & Compliance Division Base Adjustments -

The department's Permitting and Compliance Division base expenditures were low due to vacancies, low payouts for the Operator Reimbursement Program, junk vehicle grants to counties and abandoned vehicle reimbursements, contracts not put into place due to vacancies, a missed fiscal year end accrual, and indirect costs. This budget request of \$1,161,952 in FY 2008 and \$1,153,462 in FY 2009 of all funds will restore the base operating budget for the division for these areas.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$82,400	\$0
FY 2009	\$83,200	\$0

PL- 5027 - On-site Wastewater Operator Certification OTO/BIE -

The Executive recommends restricted one-time-only funding of \$82,400 in FY 2008 and \$83,200 in FY 2009 state special revenue to develop an operator certification program for on-site wastewater treatment systems in accordance with 37-42-101, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$257,500	\$0
FY 2009	\$260,000	\$0

PL- 5028 - Air Regulatory Assistance RST/OTO/BIEN -

This restricted one-time-only biennial budget request of \$257,500 in FY 2008 and \$260,000 in FY 2009 state special revenue to contract for permit application review, permit writing, preparation of environmental reviews required under the Montana Environmental Policy Act, and compliance activities to assure that permit conditions and other applicable requirements are being met.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,679	\$0
FY 2009	\$71,865	\$0

NP- 5013 - MFSA/MEPA FTE -

This state special budget request includes 1.00 FTE and \$75,679 in FY 2008 and \$71,865 in FY 2009 for Major Facilities Siting projects and Montana Environmental Policy Act analysis.

Dept. Of Environmental Quality-5301
Permitting & Compliance Div.-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$162,416	\$0
FY 2009	\$159,242	\$0

NP- 5014 - Subdivision Review FTE -

This Executive recommends this state special budget request including 2.00 FTE and \$162,416 in FY 2008 and \$159,242 in FY 2009 of state special revenue to provide for quicker turnaround time of plan review.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,385	\$0
FY 2009	\$238,127	\$0

NP- 5020 - Coal Bed Methane Compliance Monitoring FTE -

This state special budget request includes 2.00 FTE and \$250,385 in FY 2008 and \$238,127 in FY 2009 of federal special revenue to assist with energy related development, to monitor compliance of coal bed methane discharges, and to develop discharge permits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,927	\$73,927
FY 2009	\$73,982	\$73,982

NP- 5021 - METH Staff - Re-Instate FTE -

This budget request includes 1.50 FTE and \$73,927 in FY 2008 and \$73,982 in FY 2009 general fund for the new methamphetamine cleanup program authorized by the 2005 Legislature in HB 60. The FTE were inadvertently omitted from MBARS when the bill was amended into HB 2 at the end of last session.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$500,000
FY 2009	\$0	\$0

NP- 5029 - Swift Gulch Drainage System OTO/BIE -

The Executive recommends \$500,000 general fund during the 2009 biennium to be used to design and construct a semi-passive treatment system for the Swift Gulch drainage northwest of the Zortman-Landusky mine site in Eastern Montana

Dept. Of Environmental Quality-5301 Petro Tank Release Comp. Board-90

Program Description - The Petroleum Tank Release Compensation Board is responsible for administering the petroleum tank release cleanup fund. This includes reimbursement to petroleum storage tank owners and operators for corrective action costs and compensation paid to third parties for bodily injury and property damage resulting from a release of petroleum from a petroleum storage tank. The board is responsible for responding to and working with private individuals, corporations, other state agencies, the Governor's office, the legislature, federal agencies, and other interested parties with activities relative to petroleum storage tanks. It has a staff of 6.00 FTE and also funds 15.50 FTE within DEQ. It is attached to the DEQ for administrative purposes.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	293,339	14,540	0	307,879	15,727	0	309,066
Operating Expenses	326,594	37,114	0	363,708	38,213	0	364,807
Total Costs	\$619,933	\$51,654	\$0	\$671,587	\$53,940	\$0	\$673,873
State/Other Special	619,933	51,654	0	671,587	53,940	0	673,873
Total Funds	\$619,933	\$51,654	\$0	\$671,587	\$53,940	\$0	\$673,873

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,388	\$0
FY 2009	\$51,174	\$0

PL- 9001 - PTRCB Operations Adjustment -

The Executive recommends state special revenue of \$50,388 in FY 2008 and \$51,174 in FY 2009 for increased legal costs associated with claim subrogation.

Department Of Livestock-5603

Mission Statement - The mission of the Department of Livestock is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals.

Statutory Authority - Title 81, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	135.99	0.00	2.00	137.99	0.00	2.00	137.99
Personal Services	5,555,013	701,375	73,579	6,329,967	725,619	73,656	6,354,288
Operating Expenses	2,437,756	446,555	321,848	3,206,159	418,389	166,048	3,022,193
Equipment	107,513	201,712	10,000	319,225	120,712	0	228,225
Total Costs	\$8,100,282	\$1,349,642	\$405,427	\$9,855,351	\$1,264,720	\$239,704	\$9,604,706
General Fund	572,665	85,088	523,569	1,181,322	88,096	371,438	1,032,199
State/Other Special	6,068,235	1,187,894	(144,077)	7,112,052	1,098,954	(155,537)	7,011,652
Federal Special	1,459,382	76,660	25,935	1,561,977	77,670	23,803	1,560,855
Total Funds	\$8,100,282	\$1,349,642	\$405,427	\$9,855,351	\$1,264,720	\$239,704	\$9,604,706

Department Of Livestock-5603 Centralized Services Program-01

Program Description - The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, and general services functions for the department. The Milk Control Bureau is administratively attached to the division. The Predator Control Program is administered by the Board of Livestock and the Executive Officer. Although the board placed the predator function in this division during the 2003 biennium, all functions remain unchanged, including the two aircraft and the contract with U.S. Department of Agriculture Wildlife Services. Through helicopter hunting and contracts, predators that kill or injure domestic livestock, primarily coyotes, are controlled.

The Livestock Crimestoppers' Commission and the Beef Research and Marketing Committee are administratively attached. The 57th Legislature administratively attached the Board of Horse Racing to the Department of Livestock. This board and its staff report directly to the executive officer.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.78	0.00	0.00	19.78	0.00	0.00	19.78
Personal Services	827,608	137,609	0	965,217	140,193	0	967,801
Operating Expenses	677,208	329,478	250,000	1,256,686	298,993	100,000	1,076,201
Total Costs	\$1,504,816	\$467,087	\$250,000	\$2,221,903	\$439,186	\$100,000	\$2,044,002
General Fund	0	0	250,000	250,000	0	100,000	100,000
State/Other Special	1,504,816	467,087	0	1,971,903	439,186	0	1,944,002
Federal Special	0	0	0	0	0	0	0
Total Funds	\$1,504,816	\$467,087	\$250,000	\$2,221,903	\$439,186	\$100,000	\$2,044,002

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$77,675	\$0
FY 2009	\$77,675	\$0

PL- 1005 - Predator Control Authority Increase -

The Executive recommends this budget request of \$155,350 state special authority to restore the 2009 biennium budget for aerial hunting of predators via contract with USDA Wildlife Services and for contracted services for aerial flying for predator control. Because of serious drought and state special revenue funding shortfalls in FY 2003 the Board of Livestock reduced the Predator Control budget by \$200,000 each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,763	\$0
FY 2009	\$4,683	\$0

PL- 1006 - Department wide IT Equipment Replacement RST -

The Executive recommends state special revenue of \$6,763 in FY 2008 and \$4,683 in FY 2009. This increase, in combination with the base budget, will allow the department to replace 19 personal computers in FY 2008 and 20 in FY 2009, replace a color laser printer in FY 2008, and lease an oracle server and a network server from the Department of Administration.

Department Of Livestock-5603

Centralized Services Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,100	\$0
FY 2009	\$5,100	\$0

PL- 1007 - Board of Livestock - Per Diem -

The budget includes \$5,100 state special authority each year of the 2009 biennium for members of the Board of Livestock's per diem.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,055	\$0
FY 2009	\$2,055	\$0

PL- 1009 - Information Technology -Oracle Training -

This request of \$2,055 state special authority each year of the biennium is for the estimated cost of Oracle and other training for two new information technology staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$0
FY 2009	\$25,000	\$0

PL- 1037 - Board of Milk Control - Legal Fees -

The Executive recommends state special revenue of \$25,000 each year of the biennium for contract legal fees. The Board of Milk Control utilizes the Attorney General's Office for legal services for litigation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,100	\$0
FY 2009	\$1,100	\$0

PL- 1038 - Board of Milk Control - Per Diem -

The budget includes \$1,100 state special authority each year of the 2007 biennium for members of the Board of Milk Control's per diem.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,300	\$0
FY 2009	\$1,300	\$0

PL- 1078 - Board of Horse Racing - Per Diem -

The Executive recommends \$1,300 state special authority each year of the 2009 biennium for members of the Board of Horse Racing's per diem.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$671	\$0
FY 2009	\$815	\$0

PL- 1079 - Board of Horse Racing - Rent -

This request includes state special revenue of \$671 in FY 2008 and \$815 in FY 2009 for the contracted 2% increase for office space rent.

**Department Of Livestock-5603
Centralized Services Program-01**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2008	\$250,000	\$100,000
FY2009	\$250,000	\$100,000

NP- 1080 – Board of Horseracing Support -

The Executive recommends \$250,000 general fund in FY 2008 and \$100,000 general fund in FY 2009 to help bridge the funding gap for the Board of Horseracing while the study committee works to find permanent solutions to keep the legacy of horseracing alive in Montana.

Department Of Livestock-5603 Diagnostic Laboratory Program-03

Program Description - The Diagnostic Laboratory provides livestock laboratory diagnostic support for the Disease Control Program, Milk and Egg Program, and livestock producers. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife, and the public.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	20.50	0.00	1.00	21.50	0.00	1.00	21.50
Personal Services	952,645	65,643	40,772	1,059,060	69,415	40,812	1,062,872
Operating Expenses	476,411	29,539	11,500	517,450	30,952	10,000	517,363
Equipment	0	55,000	10,000	65,000	0	0	0
Total Costs	\$1,429,056	\$150,182	\$62,272	\$1,641,510	\$100,367	\$50,812	\$1,580,235
General Fund	93,651	0	206,349	300,000	0	206,349	300,000
State/Other Special	1,335,405	150,182	(144,077)	1,341,510	100,367	(155,537)	1,280,235
Total Funds	\$1,429,056	\$150,182	\$62,272	\$1,641,510	\$100,367	\$50,812	\$1,580,235

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$63,902	\$0
FY 2009	\$8,902	\$0

PL- 3007 - Diagnostic Lab Equipment -

This budget request includes state special revenue of \$72,804 for leasing and replacement of lab equipment anticipated for the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,323	\$0
FY 2009	\$8,320	\$0

PL- 3009 - Lab Recharges -

The Executive recommends a state special revenue increase of \$7,323 in FY 2008 and \$8,320 in FY 2009 for increase facility service recharges from Montana State University (MSU) where the department's Diagnostic Laboratory is located in Bozeman.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,208	\$0
FY 2009	\$2,208	\$0

PL- 3010 - Lab Overtime -

This budget request is recommend by the Executive to restore state special funding of \$2,208 each year of the 2009 biennium for overtime at the laboratory. Overtime is zero-based and necessary to receive samples on weekends and for peak seasonal testing such as spring calving season.

Department Of Livestock-5603 **Diagnostic Laboratory Program-03**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$206,349
FY 2009	\$0	\$206,349

NP- 3001 - Diagnostic Lab General Fund Increase -

The Executive recommends this funding switch from state special revenue to general fund of \$206,349 each year of the biennium. Currently the livestock industry in Montana is supporting testing of public health related diseases that directly benefit public safety. This change will keep the rates at the lab at an appropriate level and acknowledge the benefit the lab provides to the general public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$62,272	\$0
FY 2009	\$50,812	\$0

NP- 3008 - Diagnostic Lab PCR Technology OTO -

This recommendation adds 1.00 FTE and state special revenue funding of \$62,272 in FY 2008 and \$50,812 in FY 2009 for a specialized molecular technologist to operate the Polymerase Chain Reaction (PCR) equipment to perform PCR molecular testing and operating costs at the Diagnostic Lab.

Department Of Livestock-5603 **Animal Health Division-04**

Program Description - The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and game farm animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00
Personal Services	480,654	218,509	0	699,163	222,652	0	703,306
Operating Expenses	651,686	39,376	0	691,062	38,410	0	690,096
Equipment	72,225	0	0	72,225	26,000	0	98,225
Total Costs	\$1,204,565	\$257,885	\$0	\$1,462,450	\$287,062	\$0	\$1,491,627
State/Other Special	301,047	224,317	0	525,364	253,494	0	554,541
Federal Special	903,518	33,568	0	937,086	33,568	0	937,086
Total Funds	\$1,204,565	\$257,885	\$0	\$1,462,450	\$287,062	\$0	\$1,491,627

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$26,000	\$0

PL- 4003 - Animal Health Division Vehicle Replacement RST/OTO -

This request is for a one-time-only restricted state special revenue appropriation of \$26,000 in FY 2009 for a vehicle for a livestock investigator.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$31,564	\$0
FY 2009	\$30,815	\$0

PL- 4004 - Federal Funding - Bison -

This is an increase of federal authority of \$31,564 in FY 2008 and \$30,815 in FY 2009 to continue the work agreed to in the cooperative agreement with USDA/APHIS. The funding is for bison operations and Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts and contracted services for research and analysis of brucellosis.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,600	\$0
FY 2009	\$6,600	\$0

PL- 4005 - Out-of-State Travel -

This request is for state special revenue authority of \$6,600 each fiscal year of the 2009 biennium for out-of-state travel in the Animal Health Division.

Department Of Livestock-5603 Milk & Egg Program-05

Program Description - The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	252,561	13,881	0	266,442	14,825	0	267,386
Operating Expenses	43,757	4,791	0	48,548	4,794	0	48,551
Equipment	0	26,000	0	26,000	0	0	0
Total Costs	\$296,318	\$44,672	\$0	\$340,990	\$19,619	\$0	\$315,937
State/Other Special	263,464	44,672	0	308,136	19,619	0	283,083
Federal Special	32,854	0	0	32,854	0	0	32,854
Total Funds	\$296,318	\$44,672	\$0	\$340,990	\$19,619	\$0	\$315,937

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$26,000	\$0
FY 2009	\$0	\$0

PL- 5004 - Milk and Egg Bureau Vehicle Replacement RST/OTO -

This request is for a one-time-only restricted state special revenue authority of \$26,000 in FY 2008 for a vehicle for a sanitarian to provide milk and egg inspections.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,181	\$0
FY 2009	\$3,181	\$0

PL- 5005 - Milk & Egg Out of State Travel -

The Executive recommends state special revenue authority of \$3,181 each year of the 2009 biennium for out-of-state travel for Milk and Egg sanitarians to attend national conferences so they can maintain certification, receive training to improve their inspection processes, and review new regulations that have been adopted.

Department Of Livestock-5603

Brands Enforcement Division-06

Program Description - The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	57.21	0.00	0.00	57.21	0.00	0.00	57.21
Personal Services	2,312,794	169,389	0	2,482,183	179,718	0	2,492,512
Operating Expenses	308,946	11,535	0	320,481	11,858	0	320,804
Equipment	35,288	120,712	0	156,000	94,712	0	130,000
Total Costs	\$2,657,028	\$301,636	\$0	\$2,958,664	\$286,288	\$0	\$2,943,316
State/Other Special	2,657,028	301,636	0	2,958,664	286,288	0	2,943,316
Total Funds	\$2,657,028	\$301,636	\$0	\$2,958,664	\$286,288	\$0	\$2,943,316

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,712	\$0
FY 2009	\$94,712	\$0

PL- 6002 - Brand Division Vehicle Replacement RST/OTO -

This request is for one-time-only restricted state special revenue authority of \$120,712 in FY 2008 and \$94,712 in FY 2009 for replacement of 11 vehicles for enforcing livestock laws in 18 districts across the state.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$78,169	\$0
FY 2009	\$78,169	\$0

PL- 6003 - Overtime - Brand Enforcement Division -

This budget request is recommended to restore state special revenue funding of \$78,169 each year of the 2009 biennium for overtime in the Brands Enforcement Division. The overtime is necessary during fall marketing.

Department Of Livestock-5603 Meat/Poultry Inspection-10

Program Description - The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.50	0.00	1.00	20.50	0.00	1.00	20.50
Personal Services	728,751	96,344	32,807	857,902	98,816	32,844	860,411
Operating Expenses	279,748	31,836	60,348	371,932	33,382	56,048	369,178
Total Costs	\$1,008,499	\$128,180	\$93,155	\$1,229,834	\$132,198	\$88,892	\$1,229,589
General Fund	479,014	85,088	67,220	631,322	88,096	65,089	632,199
State/Other Special	6,475	0	0	6,475	0	0	6,475
Federal Special	523,010	43,092	25,935	592,037	44,102	23,803	590,915
Total Funds	\$1,008,499	\$128,180	\$93,155	\$1,229,834	\$132,198	\$88,892	\$1,229,589

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$41,286	\$41,286
FY 2009	\$41,286	\$41,286

NP- 1009 - Meat Inspection Funding Shortfall -

This budget request is recommended by the Executive to restore the level of funding necessary for operation of the Meat Inspection Program that was reduced by the federal government. The United States Department of Agriculture Food Safety Inspection Service cooperative agreement has been reduced by \$65,000 for federal fiscal year 2006 and 2007. The agreement allows for up to 50% federal funding program expenditure match. The department has mitigated the shortfall to \$41,286 per year, and that amount is included from the general fund each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$45,347	\$22,673
FY 2009	\$41,084	\$20,542

NP- 1010 - Meat Plant Inspector RST -

The Executive recommends adding 1.00 FTE and general and federal funding of \$45,347 in FY 2008 and \$41,084 in FY 2009 for an additional meat inspector in anticipation of additional meat plants applying to come on line and their associated additional inspections. The United States Department of Agriculture Food Safety Inspection Service cooperative agreement allows for up to 50% federal funding program expenditure match.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,522	\$3,261
FY 2009	\$6,522	\$3,261

NP- 1011 - FAIM Computer Maintenance Contract -

This budget request for general and federal funding of \$6,522 is to provide computer hardware and software maintenance contracts for the state's Meat Inspection Program. The United States Department of Agriculture Food Safety Inspection Service cooperative agreement allows for up to 50% federal funding program expenditure match.

Dept of Natural Resources & Conservation-5706

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - To ensure Montana's land and water resources provide benefits for present and future generations.

Statutory Authority - 2-15-104 and Title 2, chapter 15, part 33, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	531.37	4.50	8.50	544.37	4.50	8.50	544.37
Personal Services	25,427,463	3,550,189	379,649	29,357,301	3,661,170	380,349	29,468,982
Operating Expenses	10,626,422	4,137,780	2,012,185	16,776,387	2,177,417	1,982,238	14,786,077
Equipment	1,105,964	240,208	1,390,000	2,736,172	49,984	390,000	1,545,948
Capital Outlay	121,347	13,771	0	135,118	13,771	0	135,118
Local Assistance	0	200,000	0	200,000	200,000	0	200,000
Grants	1,384,297	125,000	255,000	1,764,297	125,000	255,000	1,764,297
Transfers	809,421	150,475	5,000,000	5,959,896	167,930	5,000,000	5,977,351
Debt Service	380,807	98,013	0	478,820	98,013	0	478,820
Total Costs	\$39,855,721	\$8,515,436	\$9,036,834	\$57,407,991	\$6,493,285	\$8,007,587	\$54,356,593
General Fund	18,140,525	1,965,210	6,985,869	27,105,104	1,897,171	5,971,458	26,009,154
State/Other Special	20,004,366	6,319,327	2,150,965	28,447,658	4,369,544	2,136,129	26,510,0539
Federal Special	1,710,830	230,899	(100,000)	1,855,229	226,570	(100,000)	1,837,400
Expendable Trust	0	0	0	0	0	0	0
Total Funds	\$39,855,721	\$8,515,436	\$9,036,834	\$57,407,991	\$6,493,285	\$8,007,587	\$54,356,593

Dept of Natural Resources & Conservation-5706

Centralized Services-21

Program Description - The Centralized Services Division provides managerial and administrative support services to the department through: 1) the Director's Office, which includes the director, legal staff, and public information; and 2) support services, which manages all financial activities, coordinates information systems, produces publications and graphic materials, and performs general administrative support services. Support services include fiscal affairs, data processing, personnel, legal, reception, and mail. Responsibilities include trust revenue collection and distribution and maintenance of ownership records for trust and non-trust state-owned land.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	38.00	3.00	0.00	41.00	3.00	0.00	41.00
Personal Services	1,870,032	496,011	0	2,366,043	503,523	0	2,373,555
Operating Expenses	552,382	180,400	0	732,782	61,658	0	614,040
Equipment	0	155,000	0	155,000	45,000	0	45,000
Capital Outlay	0	10,000	0	10,000	10,000	0	10,000
Debt Service	2,316	0	0	2,316	0	0	2,316
Total Costs	\$2,424,730	\$841,411	\$0	\$3,266,141	\$620,181	\$0	\$3,044,911
General Fund	1,955,739	469,700	0	2,425,439	338,876	0	2,294,615
State/Other Special	388,359	347,343	0	735,702	283,937	0	672,296
Federal Special	80,632	24,368	0	105,000	(2,632)	0	78,000
Total Funds	\$2,424,730	\$841,411	\$0	\$3,266,141	\$620,181	\$0	\$3,044,911

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$195,164	\$0
FY 2009	\$180,263	\$0

PL- 2101 - GIS Enterprise Project IT -

The Executive recommends 2.00 FTE and state special revenue of \$195,164 in FY 2008 and \$180,263 in FY 2009. This will enable the department to implement an Enterprise GIS providing an organization-wide approach that facilitates the integration, implementation, operation, and management of tabular and spatial information. This provides many benefits and opportunities to an organization by streamlining work processes; allowing integration of data and systems; improving accessibility and data management; reducing duplication of efforts and costs (hardware, software & personnel); rapid automated updating; and leveraging of an organization's data for decision-making, and analysis.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$104,758	\$0
FY 2009	\$107,839	\$0

PL- 2102 - CSD Operating Adjustment -

The request is for 1.00 FTE and state special revenue of \$104,758 for FY 2008 and \$107,839 for FY 2009. The additional FTE is for a network administrator to assist end-users, work on security, and provide software training to employees. This position will enable the department to meet statutory requirements regarding information technology and work with the trust land management database.

Dept of Natural Resources & Conservation-5706
Centralized Services-21

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$46,000	\$30,000
FY 2009	\$12,000	\$0

PL- 2103 - CSD Equipment IT OTO -

The budget is requested for one-time-only general fund, state special, and federal special funding of \$46,000 in FY 2008 and \$12,000 in FY 2009. The agency will be utilizing the \$30,000 general funding for a purchase in FY 2008 for videoconferencing equipment to be installed in Helena, Missoula, and Kalispell to reduce staff travel and travel expenses. Additional information technology equipment purchases will include 12 servers, 1 printer, and 1 fax machine.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$105,000	\$105,000
FY 2009	\$25,000	\$25,000

PL- 2104 - GIS Enterprise Equipment IT OTO -

The Executive recommends one-time-only general fund authority of \$105,000 in FY 2008 and \$25,000 in FY 2009 to fund the infrastructure for a GIS Enterprise project. The infrastructure will include servers, server software, geodata storage, and connection of those systems to a proposed federated GIS system for the State of Montana. The proposal calls for a tiered approach with an initial hardware and software purchase in FY 2008 and expansion of that system in FY2009 to meet anticipated growth in the system during development.

Dept of Natural Resources & Conservation-5706

Oil & Gas Conservation Div.-22

Program Description - The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. The division 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) performs engineering studies; 7) determines incremental production for enhanced recovery and horizontal wells to implement the tax incentive program for those projects; 8) operates the underground injection control program; 9) plugs orphan wells; and 10) collects and maintains complete well data and production information.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	20.50	0.00	1.00	21.50	0.00	1.00	21.50
Personal Services	917,514	260,923	37,669	1,216,106	278,099	37,696	1,233,309
Operating Expenses	376,782	447,307	272,500	1,096,589	448,933	272,500	1,098,215
Equipment	48,345	5,000	0	53,345	5,000	0	53,345
Grants	0	0	5,000	5,000	0	5,000	5,000
Total Costs	\$1,342,641	\$713,230	\$315,169	\$2,371,040	\$732,032	\$315,196	\$2,389,869
State/Other Special	1,256,978	798,893	315,169	2,371,040	817,695	315,196	2,389,869
Federal Special	85,663	(85,663)	0	0	(85,663)	0	0
Total Funds	\$1,342,641	\$713,230	\$315,169	\$2,371,040	\$732,032	\$315,196	\$2,389,869

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$413,241	\$0
FY 2009	\$422,249	\$0

PL- 2201 - O&G Regulatory Operating Adjustment -

This budget request is for a state special revenue increase of \$413,241 in FY 2008 and \$422,249 in FY 2009. The authority is to restore the base budget for coal bed methane contracted studies not performed because of litigation, board per diem, and increases to contracted legal services, exempt staff pay, janitorial services, and rent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$71,158	\$0
FY 2009	\$77,509	\$0

PL- 2202 - Underground Injection Control (UIC) Operating Adj. -

This request for state special revenue of \$71,158 in FY 2008 and \$77,509 in FY 2009 to restore board per diem, annualize contract budgets for board attorney, agency legal services, janitorial and database services, fund exempt staff pay increase and increased travel, as well as cover other increased operating expenses.

**Dept of Natural Resources & Conservation-5706
Oil & Gas Conservation Div.-22**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$212,669	\$0
FY 2009	\$212,696	\$0

NP- 2203 - O&G Public Assess Data System IT -

This executive recommendation proposes 1.0 FTE and \$212,669 state special revenue per year of the 2009 biennium to continue a historical records acquisition project started in the 2005 biennium. The project involves the scanning and microfilming of historical records and making them available for internet or other public accessibility. The FTE will scan and index historical documents housed in the Billings office while the majority of the operating budget is to contract with the Secretary of State's Office to microfilm historical records housed in the Helena office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$62,500	\$0
FY 2009	\$62,500	\$0

NP- 2204 - O&G Education & Outreach BIEN -

This request for a \$125,000 state special revenue biennial appropriation will allow the division to contract with Montana Tech to provide summer petroleum workshops for teachers and to provide matching scholarship funds for an essay contest arising out of those workshops.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,500	\$0
FY 2009	\$7,500	\$0

NP- 2205 - O&G North American Prospect Exposition (NAPE) BIEN -

This biennial proposal requests state special revenue of \$7,500 per year for staff and board members to sponsor an information booth at the annual North American Prospect Expedition (NAPE) in Houston. Funding will provide travel, meals, lodging, registration, booth rental, and conference room costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$32,500	\$0
FY 2009	\$32,500	\$0

NP- 2208 - Temporary Relocation Costs RST/OTO/BIEN -

The Executive recommends this one-time-only biennial budget request for state special revenue of \$65,000 for temporary office space for the Billings staff and relocation costs.

Language Recommendations - "The department is authorized to decrease state special revenue money in the underground injection control program and increase federal special money by a like amount when the amount of federal EPA funds available for the program becomes known. Any federal special revenue is to be spent before state special revenue."

Dept of Natural Resources & Conservation-5706 **Conservation/Resource Dev Div-23**

Program Description - The Conservation and Resource Development Division provides technical, administrative, financial and legal assistance to Montana's 58 conservation districts by administering the Conservation District Act, Montana Rangeland Resources Act, and the Natural Streambed and Land Preservation Act. The division also manages several loan and grant programs for local communities, local governments, state agencies and private citizens. The programs include the state revolving fund, which currently includes \$150 million loaned to communities for water and waste water systems, coal severance tax loans to governmental entities totaling \$45 million and private loans for \$16.5 million. Grant programs administered by the division include the Reclamation Development, Renewable Resource, and Conservation District grant programs.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	24.50	0.00	1.00	25.50	0.00	1.00	25.50
Personal Services	1,264,390	225,843	51,462	1,541,695	229,125	51,496	1,545,011
Operating Expenses	1,331,953	284,357	246,738	1,863,048	293,456	251,744	1,877,153
Equipment	54,996	0	0	54,996	0	0	54,996
Local Assistance	0	200,000	0	200,000	200,000	0	200,000
Grants	1,199,806	125,000	150,000	1,474,806	125,000	150,000	1,474,806
Total Costs	\$3,851,145	\$835,200	\$448,200	\$5,134,545	\$847,581	\$453,240	\$5,151,966
General Fund	1,299,129	137,594	0	1,436,723	139,631	0	1,438,760
State/Other Special	2,305,218	678,456	448,200	3,431,874	681,140	453,240	3,439,598
Federal Special	246,798	19,150	0	265,948	26,810	0	273,608
Total Funds	\$3,851,145	\$835,200	\$448,200	\$5,134,545	\$847,581	\$453,240	\$5,151,966

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$115,000	\$23,000
FY 2009	\$123,000	\$23,000

PL- 2301 - CARDD Operating Adjustment -

The Executive recommends \$115,000 in FY 2008 and \$123,000 in FY 2009 of general, state special, and federal revenue to restore the base budget due open positions, the St Mary's Project and work group, increased rent, contracted services, and operating costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$0
FY 2009	\$200,000	\$0

PL- 2302 - Drinking Water Loan Program Assistance -

This state special revenue budget request is for \$200,000 each year of the 2009 biennium to match federal authority for hardship communities in the Safe Drinking Water program.

Dept of Natural Resources & Conservation-5706
Conservation/Resource Dev Div-23

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$114,000	\$0
FY 2009	\$114,000	\$0

PL- 2306 - Regional Water Systems -

The Executive recommends this increase of \$114,000 state special revenue per year for continued development of water system projects including Dry Prairie, Dry Red Water, Central Montana, and the North Central Regional Water System.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,000	\$0
FY 2009	\$40,000	\$0

PL- 2307 - Yellowstone River Council -

This request increases the state special revenue base by \$40,000 per year of the 2009 biennium to pay for Yellowstone River Council expenses. The council consist of 13 districts that have joined together to develop a base of information for future studies and have started aerial and land assessments of the river. Information gathering and costs are shared by the conservation districts and the federal government.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$125,000	\$0
FY 2009	\$125,000	\$0

PL- 2312 - Watershed Grants -

This state special revenue budget request of \$125,000 each year of the 2009 biennium is for the Watershed Planning and Assistance Grant (WPAG) Program. The program assists conservation districts and affiliated local watershed groups with expenses associated with watershed planning. Grants can be used for the collection of baseline resource information, facilitators, development of a watershed management plan, training, educational efforts, and incidental costs associated with watershed planning

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$0
FY 2009	\$150,000	\$0

NP- 2303 - Irrigation Assistance -

This budget request is to restore \$150,000 in FY 2008 and FY 2009 state special revenue for the Irrigation Assistance Program to provide grants to develop new irrigation or increase the value of existing agricultural land through improved irrigation. The FY 2007 biennium appropriation for this purpose was one-time-only.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$128,200	\$0
FY 2009	\$133,240	\$0

NP- 2308 - Missouri River Council -

This request for state special revenue of \$128,200 in FY 2008 and \$133,240 in FY 2009 will support the work of the Missouri River Development Council. The council consists of 15 districts that have joined together to address natural resource issues along the Missouri River. Information gathered and costs are shared by the conservation districts and the federal government

Dept of Natural Resources & Conservation-5706 **Conservation/Resource Dev Div-23**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$70,000	\$0
FY 2009	\$70,000	\$0

NP- 2311 - Conservation District Watershed Position -

The Executive recommends 1.00 FTE and state special revenue of \$70,000 each year of the 2009 biennium to work on and coordinate watershed management between the Conservation Districts (CDs), federal, and state agencies. The Conservation District Bureau provides technical and financial assistance to CDs in support of watershed efforts and participates on the Watershed Coordinating Council.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$0
FY 2009	\$100,000	\$0

NP- 2314 - Conservation Dist Operating-Coal Bed Methane RST -

This Executive recommends \$100,000 state special revenue in each year of the 2009 biennium for Conservation Districts expenses necessary to process landowner claims for the Coal Bed Methane Protection Program.

Language Recommendations - "The department is appropriated up to \$600,000 for the 2009 biennium from the state special revenue account established in 85-1-604, MCA, for the purchase of prior liens on property held as loan security as required by 85-1-618, MCA."

"The department is authorized to decrease federal special revenue in the Pollution Control and/or Drinking Water Revolving Fund Loan programs and increase state special revenue by a like amount within the Special Administration Account when the amount of federal EPA CAP funds have been expended or federal funds and bond proceeds will be used for other program purposes."

"There is appropriated up to \$1,000,000 for the biennium from the Coal Bed Methane Protection Account to fund possible landowner/water right holder claims for emergency loss of water."

Dept of Natural Resources & Conservation-5706

Water Resources Division-24

Program Description - The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division manages and maintains the state-owned dams, reservoirs, and canals; develops and recommends in state, interstate, and international water policy to the director, Governor, and Legislature; administers the Dam Safety, Floodplain Management, and Water Management programs; provides support to the Board of Water Well Contractors; assists the Water Court with the adjudication of pre-July 1, 1973 water rights; administers applications for new water rights, changes in historic water rights and ownership updates; and is responsible for maintaining centralized water rights records. The division consists of an administration unit and four bureaus: Water Management Bureau, Water Rights Bureau, State Water Projects Bureau, and the Water Operations Bureau. In addition, the Flathead Basin Commission is administratively attached to the department.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	149.50	0.00	5.50	155.00	0.00	5.50	155.00
Personal Services	7,033,696	1,139,151	239,056	8,411,903	1,164,123	239,661	8,437,480
Operating Expenses	2,459,393	2,290,209	321,772	5,071,374	449,789	303,994	3,213,176
Equipment	13,188	17,858	0	31,046	(12,516)	0	672
Capital Outlay	3,000	0	0	3,000	0	0	3,000
Debt Service	371,731	98,013	0	469,744	98,013	0	469,744
Total Costs	\$9,881,008	\$3,545,231	\$560,828	\$13,987,067	\$1,699,409	\$543,655	\$12,124,072
General Fund	6,271,348	724,106	380,969	7,376,423	730,072	366,558	7,367,978
State/Other Special	3,523,534	2,708,083	179,859	6,424,976	869,674	177,097	4,570,305
Federal Special	86,126	113,042	0	185,668	99,663	0	185,789
Total Funds	\$9,881,008	\$3,545,231	\$560,828	\$13,987,067	\$1,699,409	\$543,655	\$12,124,072

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$242,738	\$86,538
FY 2009	\$222,932	\$67,005

PL- 2401 - Water Resources Operating Adjustment IT -

This proposal requests an increase of \$153,543 general fund and \$312,127 in state and federal special revenue authority for the 2009 biennium for operating adjustments. The request includes overtime at the Broadwater hydropower facility, increased contracted services for water right files and adjudication, the Stream Gauging Program, regional and water right adjudication program rent, annualization of operating costs associated with the St. Mary's hydrologist position that was not filled until January 2006, and debt service for repayment of a federal loan for rehabilitation on the Middle Creek Dam.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,895,000	\$0
FY 2009	\$25,000	\$0

PL- 2402 - State Water Projects Rehabilitation BIE/OTO -

The Executive recommends this one-time-only biennial appropriation of \$1,920,000 state special revenue for land surveying services, rehabilitation work on Ackley Lake Dam, engineering and construction services on Deadmans Basin Dam, pre-engineering on Cataract Dam, and rehabilitation of the East Fork Siphon.

Dept of Natural Resources & Conservation-5706
Water Resources Division-24

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$85,000	\$0
FY 2009	\$85,000	\$0

PL- 2404 - Community Assistance Program (CAP) Federal -

This budget includes an increase of \$85,000 federal special revenue each year of the 2009 biennium for this on-going grant from the Federal Emergency Management Agency (FEMA). The primary purpose of the grant is to reduce the damage claims to the National Flood Insurance program thru education and training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,800	\$0
FY 2009	\$8,000	\$0

PL- 2408 - Flathead Basin Commission Operating Adjustment IT -

This request of \$19,800 over the biennium for the Flathead Basin Commission's operational budget includes minor equipment and funds for travel , rent, and supplies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$26,500	\$0
FY 2009	\$26,500	\$0

PL- 2409 - BWWC Operating Adjustment -

The Executive recommends \$26,500 state special revenue each year of the 2009 biennium for the Board of Water Well Contractors (BWWC) per diem, contracted legal services and other litigation costs, and for annualization of operating costs due to the board's support position being vacant for six months of the base year.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$117,961	\$0
FY 2009	\$117,978	\$0

NP- 2403 - Water Rights Records Optical Imaging-ITSD -

This proposal requests 1.00 FTE and \$117,961 for FY 2008 and \$117,978 for FY 2009 state special revenue to continue the conversion from microfilm to digital technology and utilization of document-scanning technology for water right records that began in the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$119,602	\$119,602
FY 2009	\$113,794	\$113,794

NP- 2405 - Yellowstone Compact Study and Hydrologist RST -

This general fund budget request is for 1.00 FTE and \$119,602 in FY 2008 and \$113,794 in FY 2009. The FTE is for a hydrologist to coordinate technical work associated with potential litigation of the Yellowstone River Compact. The position will also monitor surface water flow and precipitation and collect water samples for chemical analyses.

Dept of Natural Resources & Conservation-5706
Water Resources Division-24

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$20,027	\$0
FY 2009	\$18,534	\$0

NP- 2406 - St. Mary Administrative Position -

The Executive recommends 0.50 FTE and state special revenue of \$20,027 in FY 2008 and \$18,534 in FY 2009 for support staff and associated operating costs for the St Mary's Rehabilitation Project.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$20,000	\$0
FY 2009	\$20,000	\$0

NP- 2407 - Upper Clark Fork Steering Committee -

This state special revenue request of \$20,000 per year of the 2009 biennium is for the Upper Clark Fork Steering Committee to continue carrying out its legislative mandate in 85-2-338, MCA, for water management and use in the Upper Clark Fork Basin as well as statewide.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$115,000	\$115,000
FY 2009	\$115,000	\$115,000

NP- 2411 - Map Modernization Program State Match IT -

The Executive recommends this general fund request for \$115,000 each year of the 2009 biennium to provide for contracting of engineering and mapping services to augment floodplain mapping during an ongoing national effort by Federal Emergency Management Agency (FEMA) to update all floodplain maps in the state

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 2413 - DFWP Dam Engineer -

The Executive recommends state special revenue of \$81,050 in FY 2008 and \$84,292 in FY 2009 for an engineering position that will provide dedicated engineering services for the maintenance and rehabilitation of the 10 dams owned by the Department of Fish, Wildlife, and Parks (DFWP). The position will be paid from a contract with DFWP. The request appears as a zero cost, because it is a funding switch between two state special revenue funds.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$168,238	\$146,367
FY 2009	\$158,349	\$137,764

NP- 2412 - Surface Water/Ground Water Permitting Process -

This request for 3.00 FTE and \$284,131 general fund and \$42,456 state special revenue over the biennium will allow the department to evaluate the potential interaction of increased new ground water developments on surface water supplies and to evaluate management and mitigation activities required to prevent adverse affect on other users, especially existing users of surface water resources. The request is contingent on passage and approval of LC 218.

Dept of Natural Resources & Conservation-5706
Water Resources Division-24

Language Recommendations - "During the 2009 biennium, up to \$1 million of funds currently in or to be deposited in the Broadwater replacement and renewal account is appropriated to the department for repairing or replacing equipment at the Broadwater hydropower facility."

"During the 2009 biennium, up to \$70,000 of interest earned on the Broadwater water users account is appropriated to the department for the purpose of repair, improvement, or rehabilitation of the Broadwater-Missouri diversion project."

"During the 2009 biennium, up to \$500,000 of funds currently in or to be deposited in the state project hydropower earnings account is appropriated for the purpose of repairing, improving, or rehabilitating department state water projects."

Dept of Natural Resources & Conservation-5706

Reserved Water Rights Comp Com-25

Program Description - The Montana Reserved Water Rights Compact Commission was created by the Legislature in 1979 as part of the state-wide water rights adjudication effort. 85-2-701 et seq. It consists of four members appointed by the Governor, two by the President of the Senate, two by the Speaker of the House of Representatives, and one by the Attorney General. Members serve for four years. The commission negotiates water rights with the Indian tribes and federal agencies, which claim federal reserved water rights within the state, to establish a formal agreement (compact) on the amount of water to be allocated to each interest. The Compact Commission is scheduled to sunset on July 1, 2009.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.00	(1.00)	0.00	8.00	(1.00)	0.00	8.00
Personal Services	586,759	(6,966)	0	579,793	(6,015)	0	580,744
Operating Expenses	118,640	6,365	97,500	222,505	8,467	97,500	224,607
Total Costs	\$705,399	(\$601)	\$97,500	\$802,298	\$2,452	\$97,500	\$805,351
General Fund	705,399	(601)	97,500	802,298	2,452	97,500	805,351
Total Funds	\$705,399	(\$601)	\$97,500	\$802,298	\$2,452	\$97,500	\$805,351

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$38,988)	(\$38,988)
FY 2009	(\$37,735)	(\$37,735)

PL- 2502 - RWRCC Operating Adjustment -

This request includes a reduction of \$38,988 in FY 2008 and \$37,735 in FY 2009 which reflects the operational adjustments for commission per diem, rent, and removal of 1.00 FTE in anticipation of the Compact Commission sunset on July 1, 2009.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$97,500	\$97,500
FY 2009	\$97,500	\$97,500

NP- 2501 - RWRCC Contracted Services OTO -

The Executive recommends this one-time-only general fund budget request for \$97,500 each year for the Reserved Water Rights Compact Commission to contract for a fisheries biologist and engineer primarily to support negotiations with the Confederated Salish and Kootenai Tribe (CSKT).

Language Recommendations - "It is the intent of the Legislature that the Department of Natural Resources and Conservation create a new Compact Implementation Bureau under the Water Rights Division consisting of 5.00 FTE and current budget levels. The bureau would be charged with follow up work that must occur following the sunset of the Reserved Water Rights Compact Commission on July 1, 2009. Follow up work will include, but not be limited to, congressional approvals, water court approvals, technical reports, archiving documents and creating a digital library, engineering and hydrological oversight of ongoing water projects envisioned by the various compacts, joint water management with the Tribes, legal interpretation, compact administration and dispute resolution functions."

Dept of Natural Resources & Conservation-5706 Forestry/Trust Lands-35

Please note that this program also contains proprietary funds (see section P).

Program Description - The Forestry Division is responsible for planning and implementing forestry programs statewide. Forestry responsibilities include protecting natural resources from wildfire, regulating forest practices, and providing a variety of services to private forest landowners. Specific programs include:

- 1) Fire and Aviation Management - Protecting 50 million acres of state and private forest and watershed lands from wildfire through a combination of direct protection and county support.
- 2) Forest Practice Regulation - Enforcing Montana's streamside management zone regulations and monitoring the voluntary best management practices program on all forests in Montana.
- 3) Administering Montana Fire Hazard Reduction Law - Ensuring that the fire hazard created by logging and other forest management operations on private forest lands is adequately reduced, or that additional fire protection is provided until the hazard is reduced.
- 4) Providing Forestry Services - Providing technical forestry assistance to private landowners, businesses and communities.
- 5) Tree and Shrub Nursery - Growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The Trust Land Management Division provides for the administration and management of trust lands granted to the State of Montana by the Enabling Act of 1889. These lands currently total 5.2 million surface acres and 6.2 million mineral acres. Additionally, the division is responsible for the administration of approximately 6,000 miles (40,000+ acres) of the beds of navigable waterways. The Trust Land Management Division is divided into four primary programs: forest management; agriculture and grazing management; special use management; and minerals management.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	289.87	2.50	1.00	293.37	2.50	1.00	293.37
Personal Services	13,755,072	1,435,227	51,462	15,241,761	1,492,315	51,496	15,298,883
Operating Expenses	5,787,272	929,142	1,073,675	7,790,089	915,114	1,056,500	7,758,886
Equipment	989,435	62,350	1,390,000	2,441,785	12,500	390,000	1,391,935
Capital Outlay	118,347	3,771	0	122,118	3,771	0	122,118
Grants	184,491	0	100,000	284,491	0	100,000	284,491
Transfers	809,421	150,475	5,000,000	5,959,896	167,930	5,000,000	5,977,351
Debt Service	6,760	0	0	6,760	0	0	6,760
Total Costs	\$21,650,798	\$2,580,965	\$7,615,137	\$31,846,900	\$2,591,630	\$6,597,996	\$30,840,424
General Fund	7,908,910	647,911	6,507,400	15,064,221	672,640	5,507,400	14,088,950
State/Other Special	12,530,277	1,759,552	1,207,737	15,497,566	1,744,098	1,190,596	15,464,971
Federal Special	1,211,611	173,502	(100,000)	1,285,113	174,892	(100,000)	1,286,503
Expendable Trust	0	0	0	0	0	0	0
Total Funds	\$21,650,798	\$2,580,965	\$7,615,137	\$31,846,900	\$2,591,630	\$6,597,996	\$30,840,424

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$31,072	\$20,508
FY 2009	\$31,109	\$20,532

PL- 3505 - Inmate Fire Suppression Crews -

This budget request is for 0.50 FTE and approximately \$20,500 general fund and \$10,500 state special revenue each year of the 2009 biennium for a supervisor of a 10-person prison hand crew from the Department of Correction's work release program. This request is contingent on passage of and approval of LC 221.

Dept of Natural Resources & Conservation-5706

Forestry/Trust Lands-35

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$436,974	\$152,103
FY 2009	\$454,395	\$163,624

PL- 3506 - Forestry Operating Adjustment -

The Executive recommends \$436,974 in FY 2008 and \$454,395 in FY 2009 all funds for increased rent and janitorial costs and increased transfer authority to the air operations proprietary account for salaries, rent, and aircraft insurance to cover air operations fixed costs. The budget includes increases for maintenance and training needs associated with federal assist fire and for development costs for wildland engines contingent passage and approval of LC 221.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$99,478	\$65,655
FY 2009	\$103,478	\$68,295

PL- 3507 - Interagency Fire Support -

The Executive recommends \$133,950 general fund and \$69,006 state special revenue to support interagency fire costs within the Northern Rockies region. The department funds contracted fire protection services on state and private lands within the Flathead Indian Reservation. The department has been requested to contribute to an increase in shared support costs associated with the Northern Rockies Coordinating Group (NRCG) for which DNRC is a partner. These costs would be used to support interagency dispatch operations, regional incident management teams, and an interagency fire contractor position for which DNRC benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,600	\$30,600
FY 2009	\$12,500	\$12,500

PL- 3508 - Forestry Equipment Replacement IT OTO -

This budget request is for one-time-only general fund of \$30,600 in FY 2008 and \$12,500 in FY 2009 for replacement of a phone system and network server in the Missoula Forestry office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$122,000	\$0
FY 2009	\$122,000	\$0

PL- 3531 - Land Bank Reauthorization BIEN -

The Executive recommends this biennial state special revenue request of \$244,000 to defray the costs of associated with preparing the sale of state land pursuant to land banking. This request is contingent passage and approval of LC 218.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$0
FY 2009	\$100,000	\$0

PL- 3534 - Access Acquisition BIEN -

The Executive recommends this biennial state special revenue of \$200,000 for purchasing access to forested state trust lands. Access to isolated trust lands has become a priority and also increases the value of the land. Access is needed for timber harvest, forest improvement activities, land exchanges, recreational use by the public, and fire hazard reduction and suppression.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$69,207	\$0
FY 2009	\$75,701	\$0

PL- 3536 - Trust Land Management Operating Adjustment -

This budget request includes 1.00 FTE and state special revenue of \$69,207 in FY 2008 and @75,701 in FY 2009 for increased rent costs in Helena, Bozeman, Conrad, Dillon, Lewistown, Glasgow and Havre offices. The additional FTE is to be located at the Northwest, Southwest, and Central Land Offices for a seasonal aggregate FTE for increased forest improvement workload including burning and tree planting.

**Dept of Natural Resources & Conservation-5706
Forestry/Trust Lands-35**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$0
FY 2009	\$25,000	\$0

PL- 3537 - Weed Management Projects -

The budget includes \$25,000 state special revenue for both FY 2008 and FY 2009 to fund contracted services for weed control, purchase herbicides, fund cooperative grant projects, and support bio-control efforts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$0
FY 2009	\$50,000	\$0

PL- 3538 - Real Estate Management Plan -

This budget increase of \$50,000 state special revenue each year of the 2009 biennium is for infrastructure development for commercial and industrial uses on state trust lands to increase income to the trusts consistent with community input and trust responsibilities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$31,750	\$0
FY 2009	\$0	\$0

PL- 3544 - Phone Systems-Field Offices-OTO/BIEN -

The budget includes one-time-only biennial state special revenue of \$31,750 for FY 2008 for two new phone systems; one at the Northeastern Land Office at Lewistown and one at the Southwestern Land Office at the Clearwater Unit.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$0
FY 2009	\$15,000	\$0

PL- 3545 - Historic Rights-of-Way Addition -

The Executive recommends this \$15,000 state special increase each year of the 2009 biennium for contracted services associated with processing the Historic Rights-of-Way applications.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$0
FY 2009	\$16,000	\$0

PL- 3546 - Handheld Field Computer Equipment-OTO -

The budget includes state special revenue of \$50,000 in FY 2008 and \$16,000 in FY 2009 for the purchase of handheld field computer units for mobile GIS and field data collection activities. The current process is time consuming and introduces potential errors while usage of the handheld computers in the field would result in time savings and reduce data errors.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$58,342	\$0
FY 2009	\$56,031	\$0

PL- 3547 - Navigable River Management -

This request is for 1.00 FTE and state special revenue of \$58,342 in FY 2008 and \$56,031 in FY 2009 to manage the Navigable Rivers Program. A recent District Court ruling established that state river beds are part of school trust lands and that utilities have failed to pay any compensation for their use. The TLMD will be required to inventory all navigable waterways and initiate leases for utilities formerly authorized by the federal permit.

Dept of Natural Resources & Conservation-5706 Forestry/Trust Lands-35

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$390,000	\$257,400
FY 2009	\$390,000	\$257,400

NP- 3501 - Radio Communications IT RST -

The Executive recommends \$257,400 general fund and \$132,600 state special revenue each year of the biennium for the conversion to P-25 compliant communications equipment to achieve inter operability between emergency responders. Complete conversion will span the next 5 biennium, at a projected cost of \$390,000 each year. This request is contingent on passage and approval of LC 221.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 3502 - Urban Forestry Funding Change -

This request is to authorize a funding switch to replace \$100,000 federal special revenue with state special revenue that funds 2.00 FTE and operating costs for the Urban and Forestry program. Montana's allocation of federal funding would be utilized for Urban and Forestry grant opportunities to cities and towns.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$0	\$0

NP- 3503 - Fire Fighting Equipment - Rst/Bien/OTO -

The Executive recommends a \$1 million one-time-only general fund appropriation for the Forestry Division to purchase fire fighting equipment. The appropriation will be used to purchase fire fighting equipment for state use and/or local fire cooperatives. The request is also restricted and biennial.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000,000	\$5,000,000
FY 2009	\$5,000,000	\$5,000,000

PL- 3504 – On-Going General Fund Support for Fire Fighting

The Executive recommends a \$5 million annual appropriation to help support the cost of wildfire suppression in Montana. A bill draft, LC 545, endorsed by the Legislative Finance Committee will create a state special revenue fund for wildfire suppression. This \$5 million general fund annually would be deposited in the state special revenue fund. Over time, that fund will grow and be used to fund fire fighting costs in Montana. In addition, the Governor will propose legislation to increase the emergency statutory appropriation found in 10-3-312, MCA, from \$16 million to \$25 million per biennium to address fires and other emergencies that may occur each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,137	\$0
FY 2009	\$52,996	\$0

NP- 3530 - NELO Land Use Specialist -

This budget request for 1.00 FTE and state special revenue of \$55,137 for FY 2008 and \$52,996 for FY 2009 is for coordination and review of oil and gas lease sale nominations for any needed pre-leasing stipulations, issuance of seismic permits for exploration, analysis and review of oil and gas development, resolution of conflicts between surface and subsurface state land uses, and continued monitoring of oil and gas lease compliance.

Dept of Natural Resources & Conservation-5706 Forestry/Trust Lands-35

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,000	\$0
FY 2009	\$105,000	\$0

NP- 3533 - Habitat Conservation Plan (HCP) Implementation & Monitoring -

This budget request is for \$120,000 in FY 2008 and \$105,000 in FY 2009 of state special revenue for contracted services, operating expenses, and develop training workshops to implement and meet annual and five-year monitoring commitments for the Forest Management Habitat Conservation Plan (HCP). The purpose of the HCP is to develop a negotiated set of conservation strategies that provide longer-term management flexibility and regulatory assurances under the Endangered Species Act. DNRC is required to show adequate funding to meet implementation and monitoring commitments contained in the HCP.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$300,000	\$0
FY 2009	\$300,000	\$0

NP- 3535 - Land Exchange Reimbursement -

This budget request for \$300,000 state special revenue each year of the 2009 biennium will enable DNRC to collect anticipated land exchange costs from the applicant, hire and pay the contractors (surveyors, appraisers, etc.), and reimburse the applicant for any unspent monies. Currently land exchange applicants pay these costs directly to contractors.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$0
FY 2009	\$500,000	\$0

NP- 3542 - Reliance Refinery Remediation-BIE/OTO -

The Executive recommends a \$1,000,000 biennial state special revenue appropriation to help meet the state's share of anticipated site remediation costs at the Reliance Refinery superfund site located in Kalispell, Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

NP- 3549 - Woody Biomass Utilization Program - OTO -

The Executive recommends one-time-only general fund of \$250,000 per year to continue and enhance the Woody Biomass Utilization Program. Also, referred to as Fuels for Schools, the program facilitates and promotes the beneficial use of woody biomass "waste" created by forest management treatments. Improved use of forest biomass has many benefits: it can improve air quality by reducing slash pile burning, lower land management costs, improve forest health and resilience, economically assist in protecting communities and watersheds from wildfire, provide low cost, locally sourced heating fuel, reduce fossil fuel consumption, and create rural jobs.

Language Recommendations - "The department is authorized to decrease state special revenue in the Trust Land Administration Division and increase general fund by a like amount when the amount of the administration costs of the Montana State University-Morrill Grant becomes known."

Department Of Agriculture-6201

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - To protect producers and consumers and to enhance and develop agriculture and allied industries.

Statutory Authority - Article XII, Section 1, Montana Constitution; Title 80, Chapters 1-20, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	112.54	2.50	2.50	117.54	3.50	2.50	118.54
Personal Services	4,232,051	1,152,701	121,499	5,506,251	1,223,916	121,745	5,577,712
Operating Expenses	2,847,908	738,304	55,216	3,641,428	554,176	55,336	3,457,420
Equipment	224,525	351,500	50,000	626,025	2,500	0	227,025
Grants	4,184,119	85,000	0	4,269,119	807,962	0	4,992,081
Transfers	0	0	5,000,000	5,000,000	0	0	0
Debt Service	2,282	0	0	2,282	0	0	2,282
Total Costs	\$11,490,885	\$2,327,505	\$5,226,715	\$19,045,105	\$2,588,554	\$177,081	\$14,256,520
General Fund	578,626	75,839	5,226,715	5,881,180	41,183	177,081	796,890
State/Other Special	8,683,632	1,751,754	0	10,435,386	1,760,126	0	10,443,758
Federal Special	1,911,040	262,008	0	2,173,048	636,174	0	2,547,214
Proprietary	317,587	237,904	0	555,491	151,071	0	468,658
Total Funds	\$11,490,885	\$2,327,505	\$5,226,715	\$19,045,105	\$2,588,554	\$177,081	\$14,256,520

Department Of Agriculture-6201 Centralized Services Division-15

Program Description - The Central Services Division (CSD) performs technical, fiscal, and administrative support functions for the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, human resources, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, public information, and legal support to all programs within the department. Included in this division is the Director's Office, which provides overall policy development for the department.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Regional/National Projects/Meetings	353	414	572	458	460	460
International Projects/Meetings	52	79	98	78	80	80

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	14.00	1.00	0.00	15.00	1.00	0.00	15.00
Personal Services	658,647	169,689	0	828,336	172,444	0	831,091
Operating Expenses	250,602	99,779	0	350,381	(14,638)	0	235,964
Equipment	0	18,000	0	18,000	0	0	0
Total Costs	\$909,249	\$287,468	\$0	\$1,196,717	\$157,806	\$0	\$1,067,055
General Fund	144,463	46,364	0	190,827	10,079	0	154,542
State/Other Special	612,439	193,287	0	805,726	105,660	0	718,099
Federal Special	89,998	23,002	0	113,000	5,002	0	95,000
Proprietary	62,349	24,815	0	87,164	37,065	0	99,414
Total Funds	\$909,249	\$287,468	\$0	\$1,196,717	\$157,806	\$0	\$1,067,055

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000	\$0
FY 2009	\$5,000	\$0

PL- 1501 - Program 15 Base Budget Adjustments -

This Executive recommends this increase of \$5,000 federal special funding each year of the biennium. The additional federal special funds will be used for two foreign agricultural trips within the Director's Office and staff development and training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$157,894	\$51,894
FY 2009	\$62,250	\$49,250

PL- 1502 - E-Government IT-OTO -

This request is for information technology services totaling \$220,144 in general, state special, and proprietary funds over the 2009 biennium and 1.00 FTE to coordinate network services. Services will be provided in accordance with the Montana Information Technology Act, the Montana State Strategic Information Technology Plan, and the approved agency information technology plan to promote internet data delivery and e-government services for on-line registration of pesticide, fertilizer and feed products, event registration, hail insurance forms, and business support.

Department Of Agriculture-6201

Agricultural Sciences Division-30

Please note that this program also contains proprietary funds (see section P).

Program Description - The Agricultural Sciences Division (ASD) administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) noxious weed management; 4) agricultural chemical groundwater program; 5) feed and fertilizer program; 6) organic certification; and 7) commodity programs. Duties also include administering agricultural programs related to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The program provides support to the Montana Noxious Weed Management Advisory Council, Noxious Weed Seed Forage Advisory Council, Montana Noxious Weed Summit Advisory Council, Montana Organic Commodity Advisory Committee, Montana Mint Committee, and the Cooperative Agricultural Pest Survey Advisory Council.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Noxious Weed Seed Free Forage (Acres Inspected)	1,944	1,542	1,900	2,200	2,600	2,650
Licenses, Registrations & Certifications Issued	34,942	38,633	39,528	39,867	40,258	40,893
Inspections & Investigations Conducted	5,991	6,461	6,636	6,753	6,795	6,843
Samples Collected	28,610	34,964	31,460	58,515	36,189	36,691
Regulatory Actions	107	122	149	155	161	161
Compliance Assistance and Education	5,312	3,816	4,302	4,449	4,645	4,670

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	60.17	1.50	2.50	64.17	2.50	2.50	65.17
Personal Services	2,469,589	540,241	121,499	3,131,329	603,875	121,745	3,195,209
Operating Expenses	1,049,480	362,760	55,216	1,467,456	393,951	55,336	1,498,767
Equipment	163,434	333,500	50,000	546,934	2,500	0	165,934
Grants	3,158,848	60,000	0	3,218,848	782,962	0	3,941,810
Transfers	0	0	5,000,000	5,000,000	0	0	0
Debt Service	2,282	0	0	2,282	0	0	2,282
Total Costs	\$6,843,633	\$1,296,501	\$5,226,715	\$13,366,849	\$1,783,288	\$177,081	\$8,804,002
General Fund	101,341	0	5,226,715	5,328,056	0	177,081	278,422
State/Other Special	4,927,387	1,076,358	0	6,003,745	1,170,979	0	6,098,366
Federal Special	1,814,905	220,143	0	2,035,048	612,309	0	2,427,214
Proprietary	0	0	0	0	0	0	0
Total Funds	\$6,843,633	\$1,296,501	\$5,226,715	\$13,366,849	\$1,783,288	\$177,081	\$8,804,002

Department Of Agriculture-6201 **Agricultural Sciences Division-30**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$399,551	\$0
FY 2009	\$757,075	\$0

PL- 3001 - Program 30 Base Budget Adjustments -

The Executive recommends this request of \$1,160,526 to restore base budgets in the state special and federal special funds for programs within the Agricultural Sciences Division (ASD). Due to a timing change for the pesticide disposal contract, annual costs were not included in the base. The budget request includes a biennial increase of \$510,000 to the base for grants to control noxious weeds. ASD anticipates replacing up to seven vehicles and estimates an increase to maintenance and contracts in the laboratory.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$38,819	\$0
FY 2009	\$38,850	\$0

PL- 3004 - Commodity Bureau -

This request is for \$77,669 in state special authority in the 2009 biennium and 0.50 FTE for part-time seasonal inspectors to cover cherry inspections requested by cherry growers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$58,540	\$0
FY 2009	\$60,309	\$0

PL- 3005 - Pesticide Program -

This request is for \$118,849 in state special authority and 1.00 FTE in the 2009 biennium. This will enable the pesticide program to provide ongoing assistance to private pesticide applicators.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$409,136	\$0

PL- 3010 - Noxious Weed Trust Fund Grants Increase -

This request increases state special authority by \$409,136 with the addition of 1.00 FTE in fiscal year 2009 to assist in managing and monitoring an expected increase in the number of grant projects and the anticipated increase in program costs due to the one-time-only general fund transfer in HB XXX.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$300,000	\$0
FY 2009	\$0	\$0

PL- 3011 - Bozeman Lab Equipment OTO/Biennial -

The Executive recommends this one-time-only biennial state special authority of \$300,000 to allow the Bozeman Analytical Laboratory to purchase an automated Triple Stage Quadruple Spectrometer System (LC/MS/MS).

**Department Of Agriculture-6201
Agricultural Sciences Division-30**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$226,715	\$226,715
FY 2009	\$177,081	\$177,081

NP- 3002 - Bovine Spongiform Encephalopathy (BSE) -

This request is recommended by the Executive to fund 2.50 FTE in FY 2008 and FY 2009 and related operating expenditures totaling \$226,715 in FY 2008 and \$177,081 in FY 2009 of general fund. The additional positions will allow for ongoing inspections and testing of livestock feeds and to meet the additional workload demands of the surveillance and analyses activities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000,000	\$5,000,000
FY 2009	\$0	\$0

NP- 3003 - Noxious Weed Trust Fund OTO -

This Executive recommends a one-time-only \$5 million general fund transfer in FY 2008 to the Noxious Weed Trust Fund (NWTF). The transfer will increase the NWTF principle to nearly \$10 million as permitted by 80-7-811, MCA, and allow the department to increase funding for development and implementation of weed management programs in Montana.

Department Of Agriculture-6201

Agricultural Development Division-50

Please note that this program also contains proprietary funds (see section P).

Program Description - The Agricultural Development Division (ADD) administers programs to promote Montana agriculture through market development and enhancement. Assistance is given toward commercialization of traditional as well as innovative agricultural products and processes. The program provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, the Montana Agricultural Development Council, and the Board of Hail Insurance. The division is comprised of the following bureaus: Rural Development, Wheat and Barley, Agriculture Marketing & Business Development and the State Grain Laboratory. The State Grain Laboratory provides grades, protein determinations, malting barley germination, and falling number tests for contract settlement prices between buyers and sellers of grain crops in Montana.

Program Indicators --

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Wheat & Barley Foreign Trade Delegations	50	44	60	40	50	50
State Grain Lab Test Samples	18,500	17,720	19,761	22,000	22,000	23,000
Hail Insurance Policies	2,395	2,440	2,107	2,500	2,550	2,600
Ag Finance Loans	170	149	154	167	177	187
Growth Through Agriculture Awards	35	26	41	41	41	41

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	38.37	0.00	0.00	38.37	0.00	0.00	38.37
Personal Services	1,103,815	442,771	0	1,546,586	447,597	0	1,551,412
Operating Expenses	1,547,826	275,765	0	1,823,591	174,863	0	1,722,689
Equipment	61,091	0	0	61,091	0	0	61,091
Grants	1,025,271	25,000	0	1,050,271	25,000	0	1,050,271
Total Costs	\$3,738,003	\$743,536	\$0	\$4,481,539	\$647,460	\$0	\$4,385,463
General Fund	332,822	29,475	0	362,297	31,104	0	363,926
State/Other Special	3,143,806	482,109	0	3,625,915	483,487	0	3,627,293
Federal Special	6,137	18,863	0	25,000	18,863	0	25,000
Proprietary	255,238	213,089	0	468,327	114,006	0	369,244
Total Funds	\$3,738,003	\$743,536	\$0	\$4,481,539	\$647,460	\$0	\$4,385,463

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$0
FY 2009	\$0	\$0

PL- 5004 - Montana State Hail Insurance Database IT/OTO/BIE -

This request is for information technology services totaling \$100,000 in the Hail Insurance proprietary fund for FY 2008 to contract for the application development, rewrite, and upgrade of the Montana State Hail Insurance Program Oracle database in FY 2008. Services will be provided in accordance with the Montana Information Technology Act, the Montana State Strategic Information Technology Plan, and the approved agency information technology plan.

Department Of Agriculture-6201
Agricultural Development Division-50

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,985	\$0
FY 2009	\$3,985	\$0

PL- 5005 - Agriculture In Montana Schools -

This budget request is to restore the Agriculture in Montana Schools state special revenue authority for the 2009 biennium to \$10,500 per year. This funding is jointly used by educators and representatives of agricultural organizations for developing and presenting educational programs which give Montana students a better understanding of the crucial role of agriculture in all aspects of society and of how Montana agriculture relates to the rest of the world.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,175	\$0
FY 2009	\$15,175	\$0

PL- 5006 - Alfalfa Seed Committee -

This budget request for \$31,050 state special revenue in the 2009 biennium restores \$175 for Alfalfa Seed Committee per diem and establishes \$15,000 for research grants.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,018	\$0
FY 2009	\$1,018	\$0

PL- 5007 - Montana Agricultural Statistics Services Bulletin -

The Executive recommends this increase of \$2,036 state special authority for the 2009 biennium. This will allow the Montana Agricultural Statistics Service to spend money received from the sale of their bulletins for printing costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$0
FY 2009	\$25,000	\$0

PL- 5008 - Federal Marketing Appropriation Authority -

This request of \$25,000 federal revenue authority each year is for grants to develop agriculture markets, marketing projects, and related operating costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$133,426	\$0
FY 2009	\$131,085	\$0

PL- 5014 - Montana Growth Through Agriculture Act CST -

This request is for \$133,426 in FY 2008 and \$131,805 in FY 2009 for additional authority for loan appropriations from the coal severance tax shared state special revenue fund for the Montana Growth Through Agriculture Act.

Department Of Commerce-6501

Mission Statement - The Department of Commerce through its employees, community partners, public outreach, and media contacts enhances economic prosperity in Montana; fosters community lead diversification and sustainability of a growing economy; maintains and improves our infrastructure, housing and facilities; and promotes and enhances Montana's positive national and international image.

Statutory Authority - The Department is mandated in 2-15-18, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	42.66	5.50	4.00	52.16	6.00	4.00	52.66
Personal Services	2,159,785	475,911	191,305	2,827,001	502,169	191,532	2,853,486
Operating Expenses	2,373,103	2,971,002	1,614,215	9,958,320	2,765,992	1,610,797	6,749,892
Grants	16,806,107	22,928,071	2,000,000	41,734,178	4,838,461	0	21,644,568
Transfers	0	0	3,000,000	3,000,000	0	0	0
Total Costs	\$21,338,995	\$26,374,984	\$6,805,520	\$54,519,499	\$8,106,622	\$1,802,329	\$31,247,946
General Fund	1,960,812	5,498,577	5,305,520	12,764,909	5,277,138	302,329	7,540,279
State/Other Special	1,892,461	4,448,371	1,500,000	7,840,832	2,500,553	1,500,000	5,893,014
Federal Special	17,485,722	16,428,036	0	33,913,758	328,931	0	17,814,653
Total Funds	\$21,338,995	\$26,374,984	\$6,805,520	\$54,519,499	\$8,106,622	\$1,802,329	\$31,247,946

Department Of Commerce-6501 Business Resources Division-51

Program Description - The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapter 1 and 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	24.16	5.50	1.00	30.66	6.00	1.00	31.16
Personal Services	1,222,526	427,771	40,188	1,690,485	450,631	40,226	1,713,383
Operating Expenses	1,268,663	2,578,311	45,469	3,892,443	2,403,965	45,526	3,718,154
Grants	4,124,259	6,690,906	2,000,000	12,815,165	4,676,121	0	8,800,380
Total Costs	\$6,615,448	\$9,696,988	\$2,085,657	\$18,398,093	\$7,530,717	\$85,752	\$14,231,917
General Fund	1,736,790	5,470,373	2,085,657	9,292,820	5,250,877	85,752	7,073,419
State/Other Special	138,229	2,176,463	0	2,314,692	2, 248,389	0	2,386,618
Federal Special	4,740,429	2,050,152	0	6,790,581	31,451	0	4,771,880
Total Funds	\$6,615,448	\$9,696,988	\$2,085,657	\$18,398,093	\$7,530,717	\$85,752	\$14,231,917

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,997,361	\$3,997,361
FY 2009	\$3,997,450	\$3,997,450

PL- 5101 - BRD New Worker Training HB0002- OTO -

The New Worker Training provides funding for companies in Montana to apply for workforce training grants from the Department of Commerce. A seven-member Grant Review Committee, consisting of both public and private members, makes the grant award decisions and adopts the administrative rules to implement the workforce training grant program. In the 2007 biennium, there was \$1.3 (\$100k administration) million available annually. The request for the 2009 biennium is approximately \$3,997,000 general fund each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$123,496	\$123,496
FY 2009	\$123,548	\$123,548

PL- 5103 - BRD Main Street HB0002- OTO -

Funding to implement the Montana Main Street Program will be used to help communities rejuvenate their downtown and historic districts. The executive requests general fund in the amount of \$123,496 in FY 2008 and \$123,548 in FY 2009 as a one-time-only appropriation.

Department Of Commerce-6501 Business Resources Division-51

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$100,000
FY 2009	\$100,000	\$100,000

PL- 5104 - BRD Made In Montana HB0002- OTO -

The Made In Montana initiative was designated as a one time only appropriation for the 2007 biennium. For the 2009 biennium, the executive requests \$100,000 of general fund each year to provide further support for the development of the aerospace and bioscience clusters in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$798,496	\$798,496
FY 2009	\$798,548	\$798,548

PL- 5105 - BRD Tribal Economic Development HB0002- OTO

The administration requests a one-time-only general fund appropriation of approximately \$798,000 each year of the biennium to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects. Each tribal government is eligible to apply.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$296,936	\$296,936
FY 2009	\$146,419	\$73,210

PL- 5106 - BRD Montana Capital Investment Board HB0002- OTO

This request provides funding for the State Capital Investment Board. The board was created by the 2005 Legislature, but was not funded. The board was given authority to provide contingent, deferred tax credits to enable a fund of funds manager to promote equity capital investments in Montana companies. The one-time-only appropriation of \$296,936 in FY 2008 and \$146,419 in FY 2009 will not only fund the program, it will cover the anticipated costs involved in participating in a Supreme Court test case to determine if the Act is constitutional.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,014,785	\$0
FY 2009	\$0	\$0

PL- 5108 - BRD Federal Grants Adjustment HB0002- OTO

The Executive requests \$2,014,785 in FY 2008 of one-time-only federal authority for grants received by the Business Resources Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,166,735	\$71,547
FY 2009	\$2,167,737	\$72,448

PL- 5109 - BRD Administrative Costs Adjustments HB0002 -

The Executive recommends operating adjustments for the Economic Development Advisory Council. Additional operating cost adjustments include: travel, communications, rent, training costs, indirect costs, and software for reporting to the federal government in the SBDC program. In addition, the request includes \$2 million state special revenue each year to record loans to certified Microbusiness Development Corporations on the state accounting system. The total amount of the request is \$2,166,735 in FY 2008 and \$2,167,737 in FY 2009.

**Department Of Commerce-6501
Business Resources Division-51**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,000,000	\$2,000,000
FY 2009	\$0	\$0

NP- 5112 – Biomedical Research Grant – Bien/OTO

The Executive recommends a one-time-only biennial general fund appropriation of \$2 million for a grant to support innovative biomedical research in Montana. The grant may be used to expand, renovate, and purchase equipment for biomedical research. It may also be used to expand infrastructure that will enhance the scientific collaborations between independent non-profit researchers and researchers at Montana State University and the University of Montana. Funds may be used by the grantee to leverage additional private or federal funds.

-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$85,657	\$85,657
FY 2009	\$85,752	\$85,752

NP- 5111 - Tribal Economic Development Commission - HB0002 -

This decision package transfers the State Tribal Economic Development Commission, which is administratively attached to the Governor's Office, to the Department of Commerce. The budget includes a \$171,409 appropriation of general fund for the biennium to support the commission's activities including personal services for the commission's administrative support and operating expenses for the commission's 10 members.

Department Of Commerce-6501 Montana Promotion Division-52

Program Description - The Montana Promotion Division strives to strengthen Montana's economy through increased visitor travel, visitor expenditures, and film production, in the state. The division works to project a positive image of the state through consumer advertising, electronic marketing, publicity, international and domestic group travel marketing, printing and distribution of literature, assisting in the development of tourism infrastructure and marketing to motion picture and television production companies. The division provides training and assistance to the Montana tourism industry, administers, and distributes infrastructure grants and oversees expenditures of six regional non-profit corporations and the eleven qualified convention and visitors bureaus.

The Montana Promotion Division is primarily funded by the statutorily appropriated lodging facility use tax.

Montana Promotion Division responsibilities are mandated primarily in Title 15, Chapter 65, and Title 2, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	491,824	277,771	0	769,595	258,176	0	750,000
Total Costs	\$491,824	\$277,771	\$0	\$769,595	\$258,176	\$0	\$750,000
State/Other Special	491,824	277,771	0	769,595	258,176	0	750,000
Total Funds	\$491,824	\$277,771	\$0	\$769,595	\$258,176	\$0	\$750,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$259,240	\$0
FY 2009	\$259,240	\$0

PL- 5201 - MPD Private Funds & Audit Adjustments HB0002 -

The executive requests funding for the Montana Promotions division HB 2 private funds in the amount of \$259,240 each year for advertising.

Department Of Commerce-6501 Community Development Division-60

Program Description - The Community Development Division works with federal, state, and local governments, private non-profit organizations, and private citizens, in regard to community planning and needs identification, planning and financing for the construction of public facilities, housing development for low and moderate income families, neighborhood revitalization, and coal and hard rock mining mitigation, as well as management of projects funded through division programs.

There are two major programs directly administered by the division:

- The Community Development Block Grant Program (CDBG), and
- The Treasure State Endowment Program (TSEP).

The Montana Coal Board and the Montana Hard Rock Mining Impact Board are also attached to the Community Development Division for administrative purposes. The Division provides office facilities and necessary staff and administrative support for the boards.

These four programs provide both financial and technical assistance to Montana communities, local elected officials and staff, nonprofit organizations, private sector developers and consultants, state and federally-recognized Indian Tribes, and private citizens. Other assisted entities include local planning boards and zoning commissions, community development corporations, human resource development councils, water and sewer districts, fire departments, and housing authorities.

- The Community Development Block Grant (CDBG) program is primarily funded with federal funds allocated through the U.S. Department of Housing and Urban Development (HUD) although the general fund provides a required match for a portion of the administrative costs of the program equal to three percent of the annual CDBG allocation.
- The Coal Board is funded from the oil, gas, and coal natural resource account established by the 2005 Legislature through HB 758.
- The Hard-Rock Mining Impact Board is funded by a 2.5 percent allocation of the Metalliferous Mines License Tax.
- The Treasure State Endowment Program is funded by interest earnings from the treasure state endowment fund, a sub-fund within the coal tax trust fund. Fifty percent of the coal severance taxes that go into the coal tax trust fund are to be transferred to the treasure state endowment fund for a 23-year period, which began in 1993.

The Community Development Division's responsibilities are primarily mandated in Title 90, Chapter 1 and Chapter 6, MCA; and federal authorizations 24 CFR 570, subpart 1; and 42 USC 5301.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Coal Board						
Applications	24	24	30	25	25	25
Grants	9	10	15	10	15	15
TSEP						
Construction Applications Received and Reviewed	47	0	57	0	60	0
Construction Awards	0	40	0	35	0	37
Active Construction Projects	74	96	74	76	65	60
Preliminary Engineering Awards	32	0	43	0	40	0
Emergency Awards	3	1	0	3	3	3

**Department Of Commerce-6501
Community Development Division-60**

CDBG / Applications Reviewed						
Public Facilities	10	14	11	17	15	17
Housing	6	9	4	8	8	8
Planning	33	33	22	25	25	25
Grants Awarded						
Public Facilities	7	8	7	8	8	8
Housing	3	6	3	4	4	4
Planning	14	23	21	20	20	20

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	13.00	0.00	2.00	15.00	0.00	2.00	15.00
Personal Services	671,499	36,697	108,646	816,842	38,756	108,790	819,045
Operating Expenses	440,619	110,525	57,380	608,524	103,926	57,380	601,925
Grants	6,615,355	10,702,227	0	17,317,582	(137,660)	0	6,477,695
Total Costs	\$7,727,473	\$10,849,449	\$166,026	\$18,742,948	\$5,022	\$166,170	\$7,898,665
General Fund	224,022	28,204	166,026	418,252	26,261	166,170	416,453
State/Other Special	1,262,408	1,994,137	0	3,256,545	(6,012)	0	1,256,396
Federal Special	6,241,043	8,827,108	0	15,068,151	(15,227)	0	6,225,816
Total Funds	\$7,727,473	\$10,849,449	\$166,026	\$18,742,948	\$5,022	\$166,170	\$7,898,665

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,839,887	\$0
FY 2009	\$0	\$0

PL- 6002 - CDD CDBG Federal Grants Adjustment HB0002 -

This decision package adjusts federal grants received by the Community Development Division for the Community Development Block Grant (CDBG) program of one-time-only federal authority in the amount of \$8,839,887 in FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,972,058	\$1,412
FY 2009	(\$28,116)	\$1,351

PL- 6004 - CDD Administrative Costs Adjustments HB0002 -

This adjustment includes per diem for the Hard Rock Mining Impact Board and the maintenance of a reserve account that is set forth in statute. Additional costs of the decision package include a rent adjustment, local impact grants for the Coal Board, and authority to disperse funds to the counties from the hard-rock mining impact trust account.

**Department Of Commerce-6501
Community Development Division-60**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$166,026	\$166,026
FY 2009	\$166,170	\$166,170

NP- 6001 - CDD Community Technical Assistance Program HB0002 -

The Executive requests funding for 1.00 FTE attorney and 1.00 FTE senior planner to provide technical assistance to help local governments effectively plan and handle the exploding workload that some jurisdictions are experiencing in the subdivision review process. The total amount of this request is \$166,026 in FY 2008 and \$166,170 in FY 2009 of general fund.

Department Of Commerce-6501 Housing Division-74

Please note that this program also contains a proprietary funded program (see section P).

Program Description - The Housing Division established on July 1, 1995, consolidated housing programs within the Department of Commerce into one division. The division includes the Housing and Urban Development (HUD) HOME Investment Partnerships program, the HUD Tenant Based and Project Based Section 8 Housing programs, and the Board of Housing and its programs.

Housing Division responsibilities are mandated primarily in Title 2, Chapter 15; Title 90, Chapter 1, and Chapter 6, MCA; 24 CFR 91, and 92; 24 CFR 5, 792, 813, 887, 982, and 984; and the Governor's Executive Order 27-81.

Program Indicators –

Indicator	Actual FY2005	Actual FY2006*	Estimated FY2007	Requested FY2008	Requested FY2009
Applications Reviewed (\$)					
Single-Family Pilot Program	-	1,987,454	2,129,194	2,193,070	2,258,862
Homebuyer Assistance	2,290,100	466,115	553,590	570,198	587,304
Homeowner Rehabilitation	275,500	-	106,460	109,654	112,943
New Construction - Rental	1,326,878	1,000,000	1,469,144	1,513,218	1,558,616
New Construction - Single Family	-	320,126	511,007	526,337	542,127
Acquisition Rehabilitation - Rental	2,185,990	-	1,192,349	1,228,120	1,264,963
Tenant Based Rental Assistance	366,060	-	170,336	175,446	180,709
Totals:	\$ 6,444,528	\$ 3,773,695	\$ 6,132,080	\$ 6,316,043	\$ 6,505,524
Grants Awarded (\$)					
Single-Family Pilot Program	-	1,987,454	2,129,194	2,193,070	2,258,862
Homebuyer Assistance	1,547,323	466,115	85,168	87,722	90,355
Homeowner Rehabilitation	183,667	-	-	-	-
New Construction - Rental	500,000	717,296	851,678	877,228	903,545
New Construction - Single Family	-	320,126	681,341	701,783	722,836
Acquisition Rehabilitation - Rental	1,397,320	-	383,255	394,753	406,595
Tenant Based Rental Assistance	297,552	-	127,752	131,584	135,531
Totals:	\$ 3,925,862	\$ 3,490,991	\$ 4,258,388	\$ 4,386,140	\$ 4,517,724

*As of July 2006. An additional \$483,917 in remaining CHDO set-aside is available in the second 2006 application round (deadline: August 1).

Department Of Commerce-6501

Housing Division-74

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.50	0.00	1.00	6.50	0.00	1.00	6.50
Personal Services	265,760	11,443	42,471	319,674	12,782	42,516	321,058
Operating Expenses	171,997	4,395	1,511,366	1,687,758	(75)	1,507,891	1,679,813
Grants	5,440,847	5,434,938	0	10,875,785	200,000	0	5,640,847
Transfers	0	0	3,000,000	3,000,000	0	0	0
Total Costs	\$5,878,604	\$5,450,776	\$4,553,837	\$15,883,217	\$212,707	\$1,550,407	\$7,641,718
General Fund	0	0	3,053,837	3,053,837	0	50,407	50,407
State/Other Special	0	0	1,500,000	1,500,000	0	1,500,000	1,500,000
Federal Special	5,878,604	5,450,776	0	11,329,380	212,707	0	6,091,311
Total Funds	\$5,878,604	\$5,450,776	\$4,553,837	\$15,883,217	\$212,707	\$1,550,407	\$7,641,718

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,434,938	\$0
FY 2009	\$200,000	\$0

PL- 7401 - HD Federal Grants Adjustment HB0002-OTO -

This decision package adjusts federal grants received by the Housing Division and comes in two parts: Part 1) Adjusts normal ongoing federal appropriations for grants received by the Housing Division to match available federal funds for the 2009 biennium from federal entities of \$200,000 in each year for the HUD Comprehensive Home Buyer Counseling program. Part 2 requests a separate one-time-only appropriation in the amount of \$5,234,938 for prior years grant awards currently outstanding in the Housing Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,770	\$0
FY 2009	\$2,774	\$0

PL- 7409 - HD Administrative Costs Adjustments HB0002 -

The executive requests a 2% annual lease adjustment in the Housing Division for approximately \$2,770 each year.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,053,837	\$3,053,837
FY 2009	\$50,407	\$50,407

NP- 7411 - HD Manufactured Home Renovation Program - OTO -

The goal of the Manufactured Home Renovation Program is to provide safe, decent, energy efficient, and affordable replacement housing and decommission pre-HUD Code (1976) owner occupied manufactured housing. The program will finance the replacement and decommissioning of individual pre-HUD Code manufactured homes with terms and conditions that assure affordability. The housing division will have the discretion to establish an interest rate down to zero dependent upon applicant's circumstances and financial situation. The funding would consist of a one-time-only general fund appropriation of \$3,000,000 that would be transferred to a state special revenue fund. That fund, called the Manufactured Home Renovation Fund, would be loaned out to qualifying households. An ongoing general fund appropriation to fund the 1.00 FTE to administer the program is estimated to cost \$53,837 in FY 2008 and \$50,407 in FY 2009.

Department Of Commerce-6501
Housing Division-74

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,500,000	\$0
FY 2009	\$1,500,000	\$0

NP- 7412 - HD Manufactured Home Renovation Program SSR Approp - Bien -

This request includes \$3 million state special revenue for the biennium to record loans for the Manufactured Home Renovation Program on the state accounting system. NP 7411 requests a \$3 million general fund transfer into the fund, this request allows the program to make loans to Montanans for the program. The request if for a biennial appropriation.

Department Of Commerce-6501

Director/management Services-81

Please note that this program also contains a proprietary funded program (see section P).

Program Description - The Director's Office/Management Services Division consists of three programs:

The Director's Office - The Director's Office is the central management unit of the Department of Commerce. The office sets policy and offers problem-solving guidance to all divisions and programs. The office provides general supervision and acts in a public relations and informational capacity when dealing with the public, Governor's Office, Legislature, and other agencies, ensuring credibility and positive image of the Department. The Director's Office works closely with economic and community development organizations, businesses, communities, governmental entities, elected officials and the public to diversify and expand the state's economic base through business creation, expansion, retention, and improvement of infrastructure.

Management Services - The Management Services Division provides internal support to all agency divisions, bureaus, and programs. Services provided by the Management Services Division include accounting, budgeting, fiscal management, contracting, purchasing, information technology, human resources, payroll, benefits, and training.

Montana Council on Developmental Disabilities (MCDD) - The Montana Council on Developmental Disabilities is a citizen based advocacy group. Its members, appointed by the Governor, work to provide increased independence, integration and productivity for persons with developmental disabilities.

In pursuing these goals, the Council administers federal funds in three major areas; 1) assistance in the provision of comprehensive services to persons with developmental disabilities; 2) assistance to the state in appropriate planning activities; and 3) contracting with public and private agencies to establish model programs, demonstrate innovative habilitation techniques and to train professional and paraprofessional personnel in providing services to persons with developmental disabilities.

MCDD responsibilities are mandated primarily in Title 53, Chapter 20, MCA.

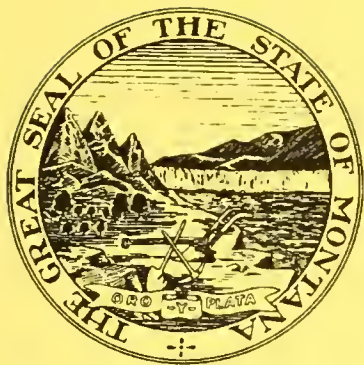
Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	625,646	100,000	0	725,646	100,000	0	725,646
Total Costs	\$625,646	\$100,000	\$0	\$725,646	\$100,000	\$0	\$725,646
Federal Special	625,646	100,000	0	725,646	100,000	0	725,646
Total Funds	\$625,646	\$100,000	\$0	\$725,646	\$100,000	\$0	\$725,646

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,000	\$0
FY 2009	\$100,000	\$0

PL- 8105 - MSD MCDD Federal Grants Adjustment HB0002 -

This decision package adjusts federal grants received by the Montana Council on Developmental Disabilities program. Both FY 2008 and FY 2009 are estimated at \$100,000 each year.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION D: PUBLIC SAFETY & JUSTICE

Crime Control Division
Department of Justice
Public Service Regulation

Department of Corrections
Department of Labor & Industry
Department of Military Affairs

OBPP Staff:

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x4118
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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Crime Control Division-4107 Justice System Support Service-01

Mission Statement - To pro-actively contribute to public safety, crime prevention, and victim assistance with planning, policy development, and coordination of the justice systems in partnership with citizens, government, and communities.

Statutory Authority - 2-15-2006 and 44-4-301, MCA, create and define the board; 41-5-1901, MCA, youth detention services grants; Title 53, Chapter 9, part 1, MCA, Victims Compensation Act; 42 USC 4760 Anti-Drug Abuse Act; 42 USC 10603 Victims of Crime Act; 42 USC 3796 Stop Violence Against Women Act; 42 USC 3701 National Criminal History Improvement Program; 42 USC 5601 Juvenile Justice and Delinquency Prevention Act; and USC 13701 Violent Crime Control and Law Enforcement Act.\

Language – “All remaining federal pass-through grants appropriations, including reversions, for the 2007 biennium are authorized to continue and are appropriated in fiscal year 2008 and fiscal year 2009.”

Program Description - The Montana Board of Crime Control (MBCC) is the state's designated agency for criminal and juvenile justice, victim assistance, resource development, and public safety policy, planning, and program development. The Montana Board of Crime Control Division is administratively attached to the Department of Justice, with an 18-member quasi-judicial board appointed by the Governor. The MBCC provides financial support, technical assistance, and supportive services to state and local criminal justice agencies. The board provides funding to local, regional, and statewide projects with the central goal of making Montana a safer state.

The Crime Control Division administers federal anti-drug and anti-crime grants, certifies peace officers and others in the Criminal Justice system, provides funding for juvenile justice programs, and provides assistance to victims of crime. It also collects and analyzes crime data from Montana law enforcement agencies and publishes the annual Crime in Montana report. The division is established in 2-15-2006, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	20.00	0.00	0.00	20.00	0.00	0.00	20.00
Personal Services	841,028	326,620	0	1,167,648	332,109	0	1,173,137
Operating Expenses	605,307	61,029	60,000	726,336	82,279	60,000	747,586
Equipment	6,790	0	0	6,790	0	0	6,790
Grants	7,118,816	90,000	0	7,208,816	90,000	0	7,208,816
Total Costs	\$8,571,941	\$477,649	\$60,000	\$9,109,590	\$504,388	\$60,000	\$9,136,329
General Fund	1,722,131	462,160	60,000	2,244,291	482,159	60,000	2,264,290
State/Other Special	9,349	90,390	0	99,739	90,523	0	99,872
Federal Special	6,840,461	(74,901)	0	6,765,560	(68,294)	0	6,772,167
Total Funds	\$8,571,941	\$477,649	\$60,000	\$9,109,590	\$504,388	\$60,000	\$9,136,329

Crime Control Division-4107 Justice System Support Service-01

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,493	\$36,713
FY 2009	\$75,740	\$49,220

PL- 100 - Office Relocation -

The Montana Board of Crime Control currently leases office space in the North Gate Plaza. There are several problems with this office space, of which the biggest is health related. This building was formerly a supermarket, which has been divided up into offices with no exterior walls or windows and inadequate heating, cooling, and fresh air ventilation. The Department of Administration has been working with the board to acquire new office space. The current estimate is that the new cost would be around \$20/square foot. This will require an additional \$50,493 for eight months in FY 2008 plus \$6,000 in moving costs. The increased rent in FY 2009 would be \$75,740. These costs would be shared by all sources of administrative funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$90,000	\$0
FY 2009	\$90,000	\$0

PL- 103 - Misdemeanor Probation Domestic Violence Program -

The Domestic Violence Intervention Program was created when the 2005 Legislature passed HB 476 increasing the marriage license fee an additional \$13.00. Based on previous years' revenue, it is estimated that approximately \$90,000 will be collected each year. This request is for state special revenue authority to spend these funds which will be granted to communities for misdemeanor probation officers or compliance officers to monitor compliance with sentencing requirements for offenders convicted of the offense of partner or family member assault or of a violation of an order of protection. It is estimated that two or three projects can be funded. MBCC is allowed up to 10% of the money deposited in the account for administrative costs.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$60,000	\$60,000
FY 2009	\$60,000	\$60,000

NP- 101 - Tech. Assistance to Law Enf. and Tribal Gov. -

The MBCC requests \$60,000 each year of the biennium to continue its technical assistance function to law enforcement, tribal governments, and public safety agencies. Services provided include grant research, program development and implementation, facilitated grant writing, grant editing, on-site and web-based training, post-award consultation, grants administration technology & programming, and outcome tracking.

Department Of Justice-4110

Please note that this agency also contains proprietary funds (see Section P.)

Mission Statement - To pursue activities and programs that seek to ensure and promote the public interest, safety and well-being through leadership, advocacy, education, regulation, and enforcement.

Statutory Authority - 2-15-501, 2-15-2001 through -2021, and Title 44, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	723.30	1.00	25.50	749.80	1.00	25.50	749.80
Personal Services	34,727,873	7,280,985	1,298,478	43,307,336	7,562,081	1,300,186	43,590,140
Operating Expenses	16,547,696	3,456,502	3,330,225	23,334,423	3,266,528	250,195	20,064,419
Equipment	1,865,973	504,181	1,700	2,371,854	503,721	(58,300)	2,311,394
Capital Outlay	0	0	0	0	0	0	0
Benefits & Claims	847,236	0	150,000	997,236	0	150,000	997,236
Debt Service	592,730	3,300,000	0	3,892,730	4,275,000	0	4,867,730
Total Costs	\$54,581,508	\$14,541,668	\$4,780,403	\$73,903,579	\$15,607,330	\$1,642,081	\$71,830,919
General Fund	21,194,347	3,543,302	4,151,816	28,889,465	3,708,902	1,077,686	25,980,935
State/Other Special	30,563,970	10,335,546	652,285	41,551,801	11,225,077	619,341	42,408,388
Federal Special	1,901,636	17,593	(171,546)	1,747,683	23,073	(173,048)	1,751,661
Proprietary	921,555	645,227	147,848	1,714,630	650,278	118,102	1,689,935
Expendable Trust	0	0	0	0	0	0	0
Total Funds	\$54,581,508	\$14,541,668	\$4,780,403	\$73,903,579	\$15,607,330	\$1,642,081	\$71,830,919

Department Of Justice-4110

Legal Services Division-01

Program Description - The Legal Services Division provides 1) the Attorney General with legal research and analysis; 2) legal counsel for state government officials, bureaus, and boards; 3) legal assistance to local governments and Indian tribes; 4) legal assistance, training and support for county prosecutors; and 5) assistance to victims of crime, including compensation payments.

County Prosecutor Services provides special prosecution assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys or city attorneys have conflicts of interest. County Prosecutor Services also provides prosecutor services to the Eastern Coal Counties Drug Task Force and the Western Montana Special Investigation Section and coordinates training and continuing legal education for county attorneys, city attorneys, and law enforcement personnel.

The Appellate Legal Services Bureau is responsible for representing the state in all criminal appeals and responds to all habeas corpus and post-conviction proceedings where federal and state courts order the state to defend the legality of convictions.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction, federal reserved water rights, election law, antitrust, conflicts of interest, and open meetings.

Office of Victim Services and Restorative Justice is a consolidated effort to elevate the status and respond to the needs of victims of crime in Montana. The office also provides cross-training and coordination with local law enforcement to more fully address the broad needs of victims.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Criminal Appeals & Complex Civil Litigation – New Cases Opened	437	442	417	440	440	440
Issue AG Opinions & Letters of Advice	12	12	22	20	20	20
Assist and provide training to County Attorneys – New Matters Opened	168	166	183	140	180	180

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	50.50	0.00	8.50	59.00	0.00	8.50	59.00
Personal Services	2,956,473	376,956	520,213	3,853,642	391,977	520,680	3,869,130
Operating Expenses	1,213,664	304,816	3,072,404	4,590,884	317,402	52,372	1,583,438
Equipment	0	0	0	0	0	0	0
Benefits & Claims	847,236	0	150,000	997,236	0	150,000	997,236
Total Costs	\$5,017,373	\$681,772	\$3,742,617	\$9,441,762	\$709,379	\$723,052	\$6,449,804
General Fund	4,351,077	487,798	3,549,603	8,388,478	514,757	531,526	5,397,360
State/Other Special	305,254	37,062	150,000	492,316	37,345	150,000	492,599
Federal Special	361,042	156,912	43,014	560,968	157,277	41,526	559,845
Total Funds	\$5,017,373	\$681,772	\$3,742,617	\$9,441,762	\$709,379	\$723,052	\$6,449,804

**Department Of Justice-4110
Legal Services Division-01**

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,500	\$0
FY 2009	\$6,500	\$0

PL- 108 - Continuing Legal Education - Base Adjustment -

This adjustment of \$6,500 state special revenue is necessary to sponsor the Continuing Legal Education Program. There were no expenditures in the FY 2006 base year for this program. Revenue to cover the costs of this program will be generated by fees charged to attend.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

PL- 110 – Major Litigation - OTO -

The Executive recommends \$500,000 general fund be appropriated to the Department of Justice to defend and protect the State of Montana related to major litigation.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$0
FY 2009	\$150,000	\$0

NP- 101 - Victims Services Restitution -

Victim Services Restitution funds are used to compensate victims of personal injury crimes for medical expenses, mental health counseling expenses, and funeral expenses. Restitution collections are eligible for a 60 percent match with federal funds. At this point in time restitution collections are about \$150,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$24,337	\$24,337
FY 2009	\$24,350	\$24,350

NP- 102 - End-of-Life Registry -

The 2005 Legislature approved the implementation of an End-of-Life Registry. This request allows for support to continue in the 2009 biennium. This is a request for 0.50 FTE and approximately \$24,000 per year general fund to manage the registry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$130,675	\$130,675
FY 2009	\$125,324	\$125,324

NP- 103 - Tobacco Settlement Enforcement -

This proposal would replace the expenditures for a contracted Agency Legal Services attorney and paralegal with less expensive FTEs for attorney and paralegal positions funded from the general fund receipts under the tobacco settlement. This request is for 2.00 FTE and \$130,675 in FY 2008 and \$125,324 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$167,066	\$167,066

Department Of Justice-4110

Legal Services Division-01

	FY 2009	\$161,247	\$161,247
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NP- 104 - Prosecution Services Bureau -

Due to an ever increasing workload, the Department of Justice is proposing the addition of two attorneys in the Prosecution Services Bureau. Present staff have lost numerous hours in the last several years in excess leave write-offs, which is time worked for which the staff has received no compensation. The cost of these 2.00 FTE would be \$167,066 in FY 2008 and \$161,247 in FY 2009 general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$167,066	\$124,052
FY 2009	\$161,247	\$119,721

NP- 105 - Child Protective Unit -

To accommodate the workload in the Child Protective Unit, the Legal Services Division is requesting 2.00 FTE attorneys to get a better geographic distribution of services. This will improve training and assistance for county prosecution. The general fund request is \$124,052 in FY 2008 and \$119,721 in FY 2009 and state special funds total \$43,014 in FY 2008 and \$41,526 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$103,473	\$103,473
FY 2009	\$100,884	\$100,884

NP- 107 - Water Court Claims -

With the passage of HB 782 by the 2005 Legislature, the Department of Justice has been vested with the authority to intervene in water claims adjudications before the Water Court. HB 782 provided \$49,000 one-time-only funding via the Resource Indemnity Trust for two 0.50 FTE. The department is seeking general fund support to continue the work before the Water Court and to increase the two half-time FTE to full-time positions. This general fund request is for \$103,473 in FY 2008 and \$100,884 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,000,000	\$3,000,000
FY 2009	\$0	\$0

NP- 110 - Major Litigation - Wyoming -

Wyoming has failed to respond to Montana's claims for water deliveries arising under the Yellowstone River Compact among Montana, Wyoming, and North Dakota, resulting in inadequate water supplies in Montana in certain of the tributaries of the Yellowstone River that flow into Montana from Wyoming. The one-time-only biennial appropriation is necessary to provide funding for activities, which may include litigation, to protect the rights of the State of Montana and Montana water users in this dispute.

Department Of Justice-4110

Office Of Consumer Protection-02

Program Description - The Office of Consumer Protection enforces Montana's consumer protection laws and regulations related to: deceptive and misleading advertising, including "bait and switch" and false claims; unfair acts by a business, including changing a contract after a sale, abusive arbitration and debt collection misconduct; door-to-door sales; telemarketing, including running Montana's do-not-call list; car and truck sales and repair, including the New Vehicle Warranty Act (or Lemon Law) violations; antitrust issues, including price fixing, monopoly abuse and restraint of trade.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	8.75	0.00	0.00	8.75	0.00	0.00	8.75
Personal Services	351,409	109,389	0	460,798	111,340	0	462,749
Operating Expenses	82,035	11,830	0	93,865	13,023	0	95,058
Total Costs	\$433,444	\$121,219	\$0	\$554,663	\$124,363	\$0	\$557,807
General Fund	208	(208)	0	0	(208)	0	0
State/Other Special	433,236	121,427	0	554,663	124,571	0	557,807
Total Funds	\$433,444	\$121,219	\$0	\$554,663	\$124,363	\$0	\$557,807

Department Of Justice-4110 Gambling Control Division-07

Program Description - The Gambling Control Division was established by the 1989 Legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division collects the gambling tax assessed on the net proceeds of gambling activities. It conducts investigations related to alcoholic beverage licensing and tobacco enforcement. An appointed Gaming Advisory Council of nine members advises the Attorney General to ensure uniform statewide regulation of gambling activities. The gambling control program is mandated by state law.

Program Indicators -

Indicator	Actual FY2005	Estimated FY2006	Actual FY2006	Requested FY2007	Estimated FY2007	Requested FY2008	Requested FY2009
Video Gambling Machine Tax Collected	\$53.4M	\$53.9M	\$56.9M	\$55.9M	\$59.1M	\$61.5M	\$64M
Gambling Permits Issued	20,853	20,453	21,445	21,128	21,500	21,500	21,500
Liquor & Gambling License Investigations	1,320	926	1,206	926	1,200	1,200	1,200

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	43.50	0.00	6.00	49.50	0.00	6.00	49.50
Personal Services	2,206,760	200,133	295,128	2,702,021	213,321	295,904	2,715,985
Operating Expenses	645,442	98,498	148,250	892,190	106,982	148,250	900,674
Equipment	72,445	0	60,000	132,445	0	0	72,445
Debt Service	4,880	0	0	4,880	0	0	4,880
Total Costs	\$2,929,527	\$298,631	\$503,378	\$3,731,536	\$320,303	\$444,154	\$3,693,984
State/Other Special	2,089,414	211,162	355,530	2,656,106	226,575	326,052	2,642,041
Proprietary	840,113	87,469	147,848	1,075,430	93,728	118,102	1,051,943
Total Funds	\$2,929,527	\$298,631	\$503,378	\$3,731,536	\$320,303	\$444,154	\$3,693,984

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$61,489	\$0
FY 2009	\$66,542	\$0

PL- 701 - GCD - Base Adjustment -

The Gambling Control Division is requesting \$128,031 (\$90,902 gambling state special and \$37,129 liquor proprietary) for the 2009 biennium. The request is needed to annualize base operating expenses for positions held vacant during the base year. Base adjustments are necessary for increased authority for travel and rent increases.

Department Of Justice-4110 Gambling Control Division-07

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$29,500	\$0
FY 2009	\$29,500	\$0

PL- 706 - Video Gambling Machine System-Testing -

The Gambling Control Division is requesting \$59,000 in gambling state special revenue for the 2009 biennium to cover the costs of testing and approving the division's new database.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$85,250	\$0
FY 2009	\$85,250	\$0

NP- 702 - Continue OTO Approp - Gambling Database -

The Gambling Control Division is requesting to continue a portion of the balance of the FY 2007 \$1.5 million biennial appropriation into the 2009 biennium for the gambling control database. Like the original appropriation, the continuation is proposed as a one-time-only biennial gambling state special revenue appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$147,848	\$0
FY 2009	\$118,102	\$0

NP- 703 - GCD - New Investigators - Gambling -

The Gambling Control Division is requesting \$265,950 in state special revenue for the 2009 biennium to hire 2.00 FTE investigators and associated operating and equipment costs. Investigators are needed to help manage the growth and regulations of live poker tables and tournaments. This request will be funded from the gambling state special revenue fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$122,432	\$0
FY 2009	\$122,700	\$0

NP- 704 - Tobacco Investigation Unit - Make MOU Permanent -

The Gambling Control Division is requesting 2.00 FTE investigators and related expenses. The FTE are currently funded under a memorandum of understanding with DPHHS. These costs are funded by tobacco settlement funds, to address an increase in the tobacco tax evasion and smuggling workload. This request is for \$245,132 of state special revenue authority for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$147,848	\$0
FY 2009	\$118,102	\$0

NP- 707 - GCD - New Investigators - Liquor -

The Executive recommends \$265, 950 over the biennium to hire and equip 2.00 FTE liquor investigators. The additional investigators will provide manpower to conduct investigations of out-of-state residents and publicly traded companies. The Department of Justice conducts the investigation and audit functions for liquor and gambling licenses. The additional investigators would be funded from the liquor proprietary fund.

Department Of Justice-4110 Motor Vehicle Division-12

Program Description - The Motor Vehicle Division (MVD), under provision of Title 61 and Title 23, MCA, and certain federal statutes is responsible for: 1) examination and licensure of all drivers; 2) verification of identification; 3) creation and maintenance of permanent driver and motor vehicle records; 4) titling and registration of all vehicles including boats, snowmobiles and ATVs; 5) inspection and verification of vehicle identification numbers; 6) licensure and compliance control of motor vehicle dealers and manufacturers; and 7) providing motor voter registration.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Issue titles for new and used vehicles:						
Title Transactions	503,486	478,201	458,637	450,000	450,000	450,000
Provide for motor vehicle registration						
Vehicles Registered	1,262,990	972,849	914,184	910,000	910,000	910,000
Renewal Notices Issued	929,508	883,214	854,186	850,000	850,000	850,000
Process motor vehicle lien filings/releases						
Lien filings processed	187,863	180,487	175,571	175,000	175,000	175,000
Lien releases processed	139,400	133,733	136,294	136,000	136,000	136,000
Regulate motor vehicle dealers/manufacturers in MT						
Dealers and Manufacturers licensed	1,454	1,998	1,564	1,560	1,560	1,560
Provide driver licensing services statewide						
Driver's licenses issued	149,714	163,336	171,003	175,000	175,000	175,000
Motor voter registrations processed	19,880	12,329	15,214	12,500	12,500	12,500
Perform special extended driver licensing investigations and hearings						
Special investigations and hearings conducted	104	393	375	375	375	375
Provide vehicle identification number (VIN) inspection services						
VIN inspections	1,185	846	932	925	925	925
Create, maintain and disseminate driver records						
Documents imaged	225,140	363,179	489,655	475,000	475,000	475,000
Convictions recorded	101,720	95,458	109,983	110,000	110,000	110,000
Administer license revocations, suspension, cancellations and reinstatements						
Revocations, suspensions, cancellations, and probationary licenses issued	31,598	36,324	40,405	40,500	40,500	40,500

Department Of Justice-4110

Motor Vehicle Division-12

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	153.00	0.00	2.00	155.00	0.00	2.00	155.00
Personal Services	4,996,142	723,058	100,754	5,819,954	739,047	100,842	5,836,031
Operating Expenses	3,963,633	2,249,408	11,529	6,224,570	2,273,128	11,529	6,248,290
Equipment	43,439	21,500	0	64,939	21,500	0	64,939
Debt Service	457,974	3,300,000	0	3,757,974	4,275,000	0	4,732,974
Total Costs	\$9,461,188	\$6,293,966	\$112,283	\$15,867,437	\$7,308,675	\$112,371	\$16,882,234
General Fund	5,255,195	1,647,137	112,283	7,014,615	1,670,964	112,371	7,038,530
State/Other Special	4,194,867	4,096,829	0	8,291,696	5,087,711	0	9,282,578
Proprietary	11,126	550,000	0	561,126	550,000	0	561,126
Total Funds	\$9,461,188	\$6,293,966	\$112,283	\$15,867,437	\$7,308,675	\$112,371	\$16,882,234

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$481,512	\$288,907
FY 2009	\$481,512	\$288,907

PL- 1201 - Base Adjustments MVD Titling and Registration -

Base budget adjustments are necessary in the areas of overtime, legal fees and court costs, printing, postage, data network, and rent for the Motor Vehicle Division. Total present law base adjustments of \$963,024 for the 2009 biennium is requested. Of this request, there is general fund of \$577,814 for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,362,223	\$817,334
FY 2009	\$1,367,316	\$820,390

PL- 1202 - Base Adjustments MVD Driver Licensing Functions -

Base budget adjustments are requested to allow the Motor Vehicle Division to continue to meet its on-going driver licensing and driver control responsibilities. Total present law base adjustments for overtime, contract services, computer processing, printing, minor office equipment, postage, rent, and vehicles in the amount of \$2,729,539 is requested for the 2009 biennium. There is \$1,637,724 of general fund requested for the biennium. The balance of this request is funded from the Highway Special Revenue Account.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$800,000	\$0
FY 2009	\$775,000	\$0

PL- 1206 - Base Adjustments for HB577 Debt Payments -

Budget adjustments for HB 577 debt payments are necessary to fund the Motor Vehicle System, Phase One, Titling System project. A total of \$1,575,000 in state special revenue authority is requested for the biennium.

Department Of Justice-4110 **Motor Vehicle Division-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,500,000	\$0
FY 2009	\$3,500,000	\$0

PL- 1207 - Base Adjustments for HB261 Debt Payments -

Budget adjustments for HB 261 debt payments are necessary to fund the Motor Vehicle System , Phase Two, Vehicle Registration and Driver Licensing/Driver Control System project. A total of \$6,000,000 in state special revenue authority is requested for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$0
FY 2009	\$25,000	\$0

PL- 1212 - MV Proprietary Account Spending Authority -

Spending authority is requested for costs of development, maintenance, and distribution of information in the state's motor vehicle and driver licensing database applications. A biennial appropriation in the amount of \$50,000 in proprietary funding is requested by the Motor Vehicle Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$525,000	\$0
FY 2009	\$525,000	\$0

PL- 1213 - HB 671 Proprietary Account Spending Authority -

The legislature approved proprietary funds in the 2007 biennium to support operating costs for an enhanced motor vehicle web portal that allows 3rd party users to access the system. Implementation was delayed until FY 2007 and therefore is not in the base budget. Spending authority is requested in the amount of \$525,000 each year of the biennium for these proprietary funds.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$112,283	\$112,283
FY 2009	\$112,371	\$112,371

NP- 1208 - Driver License Security Requirements -

Base budget adjustments are requested by the Department of Justice to continue to support the driver license security requirements (the Patriot Act approved as OTO by the 2005 Legislature). Base budget adjustments continuing the authorization of 2.00 FTE and expenditures in the areas of personal services, computer processing, printing, supplies, postage, communications, travel, and vehicle leasing in the amount of \$112,283 in FY 2008 and \$112,371 in FY 2009 in general fund is requested.

Department Of Justice-4110 Highway Patrol Division-13

Program Description - The Highway Patrol Division (HPD) is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic crashes. The patrol gives assistance and information to motorists and first aid to those injured in traffic crashes, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour-a-day, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies.

Program Indicators -

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Increase seatbelt enforcement by 2% per year	17,102	17,444	17,793	18,149	18,511	18,882
Install mobile data terminals in 10% of Patrol cars per year	33	21	21	21	13	12
Increase commercial vehicle inspections by 3% per year	11,411	11,753	12,106	12,469		
Maintain Patrol traffic availability	44.23%	45.12%	46.03%	46.96%	48.56%	50.84%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	264.05	0.00	5.00	269.05	0.00	5.00	269.05
Personal Services	13,465,542	4,187,694	152,659	17,805,895	4,282,802	152,791	17,901,135
Operating Expenses	5,253,566	220,690	(70,422)	5,403,834	312,621	(70,436)	5,495,751
Equipment	1,573,902	257,681	(173,675)	1,657,908	357,221	(173,675)	1,757,448
Total Costs	\$20,293,010	\$4,666,065	(\$91,438)	\$24,867,637	\$4,952,644	(\$91,320)	\$25,154,334
General Fund	0	0	175,039	175,039	0	176,690	176,690
State/Other Special	19,945,808	4,798,707	(51,917)	24,692,598	5,085,272	(53,436)	24,977,644
Federal Special	347,202	(132,642)	(214,560)	0	(132,628)	(214,574)	0
Total Funds	\$20,293,010	\$4,666,065	(\$91,438)	\$24,867,637	\$4,952,644	(\$91,320)	\$25,154,334

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$866,456	\$0
FY 2009	\$979,557	\$0

PL- 1301 - MHP base adjustments -

The Highway Patrol budget supports the uniformed officers in seven districts, officers and support staff in headquarters, the aircraft unit, radio technicians, and the three communication centers (dispatch). The major components of this request occur in overtime, rent, prisoner per diem, gasoline, and equipment, including vehicle replacement. This request is for \$866,456 in FY 2008 and \$979,557 in state special revenue funding. The funds for this request come from the Highway State Special Revenue (HSSR) fund supported by the tax on gasoline and diesel. This request has been reduced \$400,000 per year by the Executive in order to maintain the solvency of the HSSR fund.

Department Of Justice-4110 **Highway Patrol Division-13**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$419,685	\$0
FY 2009	\$419,685	\$0

PL- 1304 - Uniform Pay Raise 2009 -

The 2005 Legislature passed HB 35, which established and provided funding for a new recruitment and retention plan for uniformed Highway Patrol personnel. As authorized by HB 35, uniformed personnel will receive a pay increase beginning in fiscal year 2007. The Department of Justice is requesting \$419,685 in FY 2008 and \$419,685 in FY 2009 in state special revenue funding to fund raises in the upcoming biennium.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$152,659	\$0
FY 2009	\$152,791	\$0

NP- 1303 - Communications Operators -

The Montana Highway Patrol is requesting \$152,659 in FY 2008 and \$152,791 in FY 2009 state special revenue funding for five new Communication System Operators (dispatchers) for its statewide communication dispatch center in Helena. The new positions are being requested to address the increase in demand on the center.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$244,097)	\$0
FY 2009	(\$244,111)	\$0

NP- 1305 - MCSAP Reduction from base -

The Motor Carrier Safety Assistance Section (MCSAP) was transferred from Justice to the Department of Transportation effective 10/1/05. All activity in the base is no longer needed in the Department of Justice.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$175,039
FY 2009	\$0	\$176,690

NP- 1306 - Executive protection funding switch -

The Montana Highway Patrol is requesting to change the funding for the Executive Protection Program state special revenue to general fund in the Montana Highway Patrol. In the 2007 biennium, the Governor's Office pays the Highway Patrol from a general fund appropriation. The Highway Patrol then deposits the payment in a state special revenue fund, a records expenditures from that fund. Since the Highway Patrol has the FTE it is requested that the funding be switched from the Governor's Office budget to the Highway Patrol's budget and funded with general fund. The biennial cost of this switch is \$351,729. A negative decision package can be found in the Governor's Office budget request.

Department Of Justice-4110

Div. Of Criminal Investigation-18

Program Description - The Division of Criminal Investigation includes the administration, management, and coordination of criminal investigative services and training performed by the Investigations Bureau, the Narcotics Bureau, and the Law Enforcement Academy Bureau.

The Investigations Bureau consists of four sections. The Fire Prevention and Investigation Section is responsible for safeguarding life and property from fire, explosion, and arson through investigative, inspection, and fire code interpretation and enforcement functions. The Investigative Support Section is responsible for investigating crimes involving the use of computers; maintaining the Sexual and Violent Offender Registry; providing advanced training opportunities for law enforcement officials statewide; establishing a statewide intelligence center; and addressing homeland security issues. The Major Case Section provides criminal investigative assistance to city, county, state and federal law enforcement agencies. The Medicaid Fraud Control Section is responsible for investigating any crime that occurs in a health care facility, including theft, drug diversion, sexual assault, and homicide. The section also investigates elder exploitation, elder abuse, and fraud by providers within the Medicaid system.

The Narcotics Bureau investigates dangerous drug violations and provides investigative assistance to city, county, state, and federal law enforcement agencies as requested. The bureau also investigates organized criminal activity.

The Law Enforcement Academy Bureau provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Investigations and cases	593	604	696	600	600	600
Fire/Life Safety Inspections	740	957	1,246	1,000	1,000	1,000
Training provided by non-MLEA staff	198	244	232	200	200	200
Number of Programs offered by MLEA	382	159	220	250	250	250
Officers trained at MLEA	783	657	743	750	750	750
Officers trained regionally for POST credit	5,249	2,079	5,530	4,000	4,000	4,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	79.50	1.00	1.00	81.50	1.00	1.00	81.50
Personal Services	3,813,261	583,098	56,262	4,452,621	610,893	56,312	4,480,466
Operating Expenses	2,177,978	(12,645)	101,512	2,266,845	(2,913)	99,480	2,274,545
Equipment	106,916	0	0	106,916	0	0	106,916
Debt Service	40,022	0	0	40,022	0	0	40,022
Total Costs	\$6,138,177	\$570,453	\$157,774	\$6,866,404	\$607,980	\$155,792	\$6,901,949
General Fund	3,482,713	387,659	0	3,870,372	415,552	0	3,898,265
State/Other Special	1,465,988	188,947	157,774	1,812,709	193,480	155,792	1,815,260
Federal Special	1,189,476	(6,153)	0	1,183,323	(1,052)	0	1,188,424
Total Funds	\$6,138,177	\$570,453	\$157,774	\$6,866,404	\$607,980	\$155,792	\$6,901,949

Department Of Justice-4110
Div. Of Criminal Investigation-18

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$101,617	\$25,404
FY 2009	\$103,607	\$25,902

PL- 1803 - Continuation of OTO - Medicaid Fraud Unit Increase -

The Division of Criminal Investigation requests \$51,306 of general fund and \$153,918 of federal special revenue authority for the 2009 biennium to continue funding one Medicaid Fraud agent and operating funds for the Medicaid Fraud Control Unit. This program is funded with 25 percent general fund and 75 percent federal funds. These funds were approved by the 2005 Legislature as one-time-only.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$183,493)	\$0
FY 2009	(\$183,493)	\$0

PL- 1810 - Deduct Excess Authority -

The Division of Criminal Investigation requests that excess state special and federal special revenue authority be removed from the division's base budget as this authority is not necessary.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$71,447	\$0
FY 2009	\$69,497	\$0

NP- 1806 - One Management/Leadership Trainer -

The Division of Criminal Investigation requests \$140,944 of state special revenue authority and 1.00 FTE for the 2009 biennium for a Management and Leadership Trainer for the Professional Programs Unit of the Montana Law Enforcement Academy. Montana law enforcement and training advisory council representatives have all identified management and leadership training as a top priority and need for their agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$86,327	\$0
FY 2009	\$86,295	\$0

NP- 1807 - State Special Authority for Grants -

The Division of Criminal Investigation (DCI) requests \$172,622 of state special revenue authority for the 2009 biennium to provide the match for the two drug task force grants that DCI receives. The Southwest Montana Drug Task Force and the Eastern Montana Drug Task Force are both funded through a grant from the Montana Board of Crime Control. These grants require a 25 percent match by the grantee. The match for these two drug task forces come from either forfeiture funds or from the local agencies that participate in the task forces. This request will provide state special revenue authority which is needed to meet the match requirements for the grants. No general fund is requested.

Department Of Justice-4110 County Attorney Payroll-19

Program Description - The County Attorney Payroll program pays approximately half of the salary and benefits for the attorneys who serve Montana's 56 counties, as required by 7-4-2502, MCA. County compensation boards within each county determine county attorney salaries. By law, the state's contribution is limited to the general fund amount the Legislature appropriates for this program. The state's contribution may be less than half of the board-approved salary.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	21.75	0.00	c	21.75	0.00	0	21.75
Personal Services	1,912,587	268,351	0	2,180,938	354,617	0	2,267,204
Total Costs	\$1,912,587	\$268,351	\$0	\$2,180,938	\$354,617	\$0	\$2,267,204
General Fund	1,912,587	268,351	0	2,180,938	354,617	0	2,267,204
Total Funds	\$1,912,587	\$268,351	\$0	\$2,180,938	\$354,617	\$0	\$2,267,204

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$241,742	\$241,742
FY 2009	\$326,050	\$326,050

PL- 1901 - County Attorney Pay Plan - 50% Match -

Under 17-7-112(2)(a), MCA, the Department of Justice is required to submit information received from counties concerning the state's share of county attorney salaries. Based on salary projections received from the counties, an increase in general fund appropriation of \$567,792 is requested for the 2009 biennium. The FY 2008 share is \$241,742 and the FY 2009 share is \$326,050.

Department Of Justice-4110

Central Services Division-28

Program Description - The Central Services Division provides the administrative, personnel, budgetary, accounting, and fiscal support for the Department of Justice. The program also administers the County Attorney Payroll program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	17.50	0.00	0.00	17.50	0.00	0.00	17.50
Personal Services	787,551	115,935	0	903,486	117,948	0	905,499
Operating Expenses	150,545	77,923	0	228,468	3,050	0	153,595
Total Costs	\$938,096	\$193,858	\$0	\$1,131,954	\$120,998	\$0	\$1,059,094
General Fund	334,708	78,330	0	413,038	46,566	0	381,274
State/Other Special	546,393	107,770	0	654,163	67,882	0	614,275
Proprietary	56,995	7,758	0	64,753	6,550	0	63,545
Total Funds	\$938,096	\$193,858	\$0	\$1,131,954	\$120,998	\$0	\$1,059,094

Department Of Justice-4110 Information Technology Service-29

Program Description - The Justice Information Technology Services Division provides a full range of information technology and criminal justice services for the department, including; 1) system development and maintenance of the motor vehicle titling and registration system; 2) the driver license and history system; 3) the criminal history record information system and the Montana Uniform Crime Reporting System; 4) support for the Department of Justice internal computers and systems; 5) identification services for the criminal justice community through criminal history record checking and fingerprint processing; and 6) system development and support for the Criminal Justice Information Network (CJIN). CJIN links law enforcement/criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System, the National Crime Information Center (NCIC), and numerous State of Montana files.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Perform Criminal history record checks						
Checks for the Public	66,101	75,141	75,341	115,000	230,000	250,000
Checks for criminal justice agencies	247,703	259,841	324,214	350,000	400,000	420,000
Process fingerprint cards						
Criminal arrest cards	22,548	21,518	22,197	24,000	30,000	33,000
Civil cards	11,705	15,676	17,405	19,000	23,000	26,000
Assist and train law enforcement						
Calls to Help-desk	8,733	12,239	15,208	16,500	17,500	18,000
Participants in instructor-led courses	779	779	611	800	950	1100
Participants in web-based courses	4,614	5,891	5,180	6,200	6,300	7,000
Maintain Criminal Justice Information Network (CJIN) workstations statewide						
Mobile (in-car workstations)	310	456	637	740	800	850
Web based workstations (in Office)	20	305	281	320	370	430
Web based users	1000	1253	2231	2500	2700	3000
Provide System Support of the Statewide Criminal Justice Information Network						
Person Hours	10,800	12,600	13,520	13,520	13,520	13,520
Provide Support of Department of Justice Workstations, Servers and Networks						
Person Hours (FTE + Contractor)	25,200	28,800	27,040	27,040	27,040	27,040
Programming Development Effort						
Person Hours (FTE + Contractors)	18,265	19,800	15,600	15,600	15,600	15,600

Department Of Justice-4110

Information Technology Service-29

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	54.00	0.00	1.00	55.00	0.00	1.00	55.00
Personal Services	2,437,246	406,662	38,898	2,882,806	415,863	38,933	2,892,042
Operating Expenses	1,787,580	469,341	2,000	2,258,921	204,468	2,000	1,994,048
Equipment	54,577	225,000	0	279,577	125,000	0	179,577
Total Costs	\$4,279,403	\$1,101,003	\$40,898	\$5,421,304	\$745,331	\$40,933	\$5,065,667
General Fund	2,982,360	327,885	0	3,310,245	343,614	0	3,325,974
State/Other Special	1,279,806	773,642	40,898	2,094,346	402,241	40,933	1,722,980
Federal Special	3,916	(524)	0	3,392	(524)	0	3,392
Proprietary	13,321	0	0	13,321	0	0	13,321
Total Funds	\$4,279,403	\$1,101,003	\$40,898	\$5,421,304	\$745,331	\$40,933	\$5,065,667

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$375,000	\$0
FY 2009	\$375,000	\$0

PL- 2905 - Additional Spending Authority for IJIS Broker -

The Department of Justice is requesting \$750,000 as a biennial appropriation of state special revenue authority for the Integrated Justice Information System (IJIS) Broker project. The 2005 legislature appropriated \$250,000 to begin the project. The IJIS Broker is the first and biggest step in integrating the state justice systems into one virtual system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$375,000	\$0
FY 2009	\$0	\$0

PL- 2907 - Increase Spending Authority for CJIN Refresh -

A refresh of the Criminal Justice Information Network (CJIN) is conducted every four years. A refresh was not conducted in FY 2006 and the authority was not in the agency's base. The Department of Justice needs to increase the state special revenue spending authority by a total of \$375,000 for the biennium to accomplish this task.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,898	\$0
FY 2009	\$40,933	\$0

NP- 2906 - Criminal Justice Information Services Technician -

The Department of Justice, Criminal Justice Information Services (CJIS) Bureau, is requesting a technician to provide technical and administrative support for the CJIS Bureau in the areas of customer service, Criminal Justice Information Network access and Criminal History Records System Information. This position was originally requested and received through Senate Bill 128 in the 2003 session. This request is for \$81,831 of state special revenue authority for the biennium.

Department Of Justice-4110 Forensic Science Division-32

Program Description - The Forensic Science Division includes the State Crime Lab in Missoula and the State Medical Examiner. The division provides a statewide system of death investigation, forensic science training and scientific criminal investigation. The division conducts analysis on specimens submitted by law enforcement officials, coroners and other state agencies. The division tests firearms, tool marks, hair, fiber, drugs, blood, body fluids, and tissues. The laboratory also analyzes blood and urine samples in connection with driving under the influence (DUI) cases and it provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	30.75	0.00	2.00	32.75	0.00	2.00	32.75
Personal Services	1,800,902	309,709	134,564	2,245,175	324,273	134,724	2,259,899
Operating Expenses	1,273,253	36,641	64,952	1,374,846	38,767	7,000	1,319,020
Equipment	14,694	0	115,375	130,069	0	115,375	130,069
Debt Service	89,854	0	0	89,854	0	0	89,854
Total Costs	\$3,178,703	\$346,350	\$314,891	\$3,839,944	\$363,040	\$257,099	\$3,798,842
General Fund	2,875,499	346,350	314,891	3,536,740	363,040	257,099	3,495,638
State/Other Special	303,204	0	0	303,204	0	0	303,204
Total Funds	\$3,178,703	\$346,350	\$314,891	\$3,839,944	\$363,040	\$257,099	\$3,798,842

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$34,000	\$34,000
FY 2009	\$34,000	\$34,000

PL- 3201 - Forensic Science Lab - Base Adjustment -

The Forensic Science Division is requesting \$68,000 in general fund for the 2009 biennium for base adjustments. Base adjustments are necessary in the DNA analysis section to annualize reagent kits for the 2009 biennium and for membership in the Western Identification Network (WIN).

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,758	\$73,758
FY 2009	\$70,862	\$70,862

NP- 3202 - Toxicologist Position -

The Forensic Science Division is requesting \$144,620 general fund and 1.00 FTE toxicologist for the 2009 biennium at the crime lab. This position is needed to support the ever increasing workload in the toxicology section.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,758	\$73,758
FY 2009	\$70,862	\$70,862

NP- 3203 - Latent Print Examiner Position -

The Forensic Science Division is requesting \$144,620 general fund and 1.00 FTE for the 2009 biennium for a Latent Print Examiner position to support the increasing workload and backlog in the latent print section.

**Department Of Justice-4110
Forensic Science Division-32**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$115,375	\$115,375
FY 2009	\$115,375	\$115,375

NP- 3205 - Crime Lab Equipment (RST/OTO) -

The Forensic Science Division is requesting \$230,750 in general funds for the 2009 biennium for equipment replacement. The division is requesting these funds as a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$52,000	\$52,000
FY 2009	\$0	\$0

NP- 3206 - Forensic Science Lab - Records Mgmt. OTO -

A general fund appropriation of \$52,000 is requested for the Forensic Science Crime Lab for FY 2008. This request is for a one-time-only appropriation to review all state crime lab records.

Public Service Regulation-4201

Public Service Regulation Prog-01

Mission Statement - To fairly balance the long-term interests of Montana utility and transportation companies and the customers they serve.

Statutory Authority - Title 69

Program Description - The Department of Public Service Regulation (PSR) regulates the public utility and transportation industries. Five commissioners elected from districts throughout Montana oversee this program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00
Personal Services	2,338,073	248,887	0	2,586,960	182,787	0	2,520,860
Operating Expenses	525,483	41,412	0	566,895	24,617	0	550,100
Total Costs	\$2,863,556	\$290,299	\$0	\$3,153,855	\$207,404	\$0	\$3,070,960
State/Other Special	2,849,155	284,699	0	3,133,854	201,804	0	3,050,959
Federal Special	14,401	5,600	0	20,001	5,600	0	20,001
Total Funds	\$2,863,556	\$290,299	\$0	\$3,153,855	\$207,404	\$0	\$3,070,960

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$72,128	\$0
FY 2009	\$0	\$0

PL- 1 - Pay Retirement Benefits -

This request is for additional state special revenue to pay for estimated staff retirement payouts. The PSC anticipates a number of staff will retire in the next biennium resulting in leave payouts above normal personal services costs of \$72,128 in the biennium. A line-itemed biennial appropriation is requested.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,000	\$0
FY 2009	\$14,000	\$0

PL- 2 - Match Pipeline Safety Federal Award -

This is to request an additional \$8,400 in state special revenue funds and \$5,600 in federal funds in each year of the biennium for the Pipeline Safety Program. A 60% match of state funds is required. There is no general fund impact.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$17,932	\$0
FY 2009	\$21,146	\$0

PL- 4 - Building Rent/Computer Replacement -

This request is for rent increases of \$10,932 in FY 2008 and \$16,646 in FY 2009, 3% each fiscal year per the contract negotiated by the DofA. The commission is also requesting to replace four desktop computers (\$7,000) in FY 2008 and one server (\$4,500) in FY 2009. The computer replacement request is based on the four-year replacement cycle recommended by ITSD.

Public Service Regulation-4201
Public Service Regulation Prog-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,656	\$0
FY 2009	\$2,656	\$0

PL- 5 - Maintain Membership in NRRI -

This request is for an additional \$2,656 of state special revenue funding in each year of the biennium in order to maintain membership in the National Regulatory Research Institute (NRRI) The NRRI serves as the National Association of Regulatory Utility Commissioners research resource.

Department Of Corrections-6401

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - The Montana Department of Corrections enhances public safety, promotes positive change in offender behavior, reintegrates offenders into the community, and supports victims of crime.

Statutory Authority - Provided for in 2-15-2301, 53-1-201 and 53-1-202, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	1,169.64	48.00	7.00	1,224.64	56.00	7.00	1,232.64
Personal Services	54,729,334	6,644,165	348,348	61,721,847	7,258,941	349,039	62,337,314
Operating Expenses	68,842,101	31,351,898	3,771,219	103,965,218	35,762,760	2,950,045	107,554,907
Equipment	257,098	315,415	0	572,513	216,000	0	473,098
Benefits & Claims	4,508,563	0	0	4,508,563	0	0	4,508,563
Transfers	1,866,299	0	0	1,866,299	0	0	1,866,299
Debt Service	216,708	0	0	216,708	0	0	216,708
Total Costs	\$130,420,103	\$38,311,478	\$4,119,567	\$172,851,148	\$43,237,701	\$3,299,084	\$176,956,888
General Fund	127,238,338	37,044,860	4,041,831	168,325,029	42,078,250	3,226,618	172,543,206
State/Other Special	2,501,435	1,181,503	77,736	3,760,674	1,074,316	72,466	3,648,217
Federal Special	219,056	4,320	0	223,376	4,320	0	223,376
Proprietary	461,274	80,795	0	542,069	80,815	0	542,089
Total Funds	\$130,420,103	\$38,311,478	\$4,119,567	\$172,851,148	\$43,237,701	\$3,299,084	\$176,956,888

Department Of Corrections-6401

Admin And Support Services-01

Program Description - The Administration and Support Services Program includes the Director's Office, Health Planning and Information Services Division, Human Resources Division, Administrative and Financial Services Division and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resources, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting and various administrative and management support functions.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Directors Office:						
VINE: Registered Numbers	500	602	800	0	0	0
VINE: Calls made in and out to VINE	21,886	20,679	22,000	0	0	0
Signpost Newsletter Readers' Response to Content (FY06 the Signpost newsletter was put on Corrections website)	3,100	3,100	13,072	13,072	13,072	13,072
Health Planning & IT Division:						
Statistical Information Requests Completed	192	189	166	200	200	200
# of Help Desk calls resolved (Decreases are result of obsolete equipment being replaced and similar calls being lumped together) (** unless all Montana State Prison staff are put on electronic time entry)	7,441	5,869	5,457	5,500**	5,500*	5,500*
# Justice ACIS Queries (JAQS) received/answered. (Queries of our offenders from law enforcement via a direct link to the Criminal Justice Information System)	41,187	53,605	86,440	90,000	92,000	94,000
Human Resources Division						
American Indian Liaison: Written Responses to American Indian Inmate Issues					60	54
American Indian Liaison: Visits to Inmates at Correctional Facilities					34	34
American Indian Liaison: American Indian Leader & Alliance Visits					30	33
American Indian Liaison: American Indian Cultural & Custom Training Courses Provided					10	8
Policies: Policies Reviewed, Updated & Published					120	100
Policies: New Policies Developed & Published					10	10
Policies: Annual Policy Review					200	225
Staff Development & Training: Basic Training Sessions at the Montana Law Enforcement Academy	8	8	8	8	8	8
Staff Development & Training: New Employee Intranet Based E-Learning Orientation Participants					225	225
Staff Development & Training: Distance Learning Training Sessions Conducted					50	50
Staff Development & Training: Non-VisionNet Distance Learning Training Participants					500	500
HR: Special Recruitment Activities (job fairs etc)				20	18	18
HR: FLSA, FMLA, ADA & Other Federal Act Compliance Issues Processed				123	135	135
HR: Classification Actions Completed				199	150	50
HR: Grievances Filed & Processed				24	20	18
HR: Contract Bargaining Days (HR Staff)			88	120	100	60
HR: Labor Management Relationship Building Activities				21	36	45
HR: Work Comp Claims				107	100	90

Department Of Corrections-6401 Admin And Support Services-01

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	99.50	5.00	3.00	107.50	5.00	3.00	107.50
Personal Services	5,324,342	601,285	195,037	6,120,664	623,398	195,353	6,143,093
Operating Expenses	7,234,561	2,203,894	2,925,880	12,364,335	1,353,816	241,706	8,830,083
Total Costs	\$12,558,903	\$2,805,179	\$3,120,917	\$18,484,999	\$1,977,214	\$437,059	\$14,973,176
General Fund	12,261,014	2,642,763	3,043,181	17,946,958	1,922,526	364,593	14,548,133
State/Other Special	244,640	140,084	77,736	462,460	32,896	72,466	350,002
Proprietary	53,249	22,332	0	75,581	21,792	0	75,041
Total Funds	\$12,558,903	\$2,805,179	\$3,120,917	\$18,484,999	\$1,977,214	\$437,059	\$14,973,176

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,425	\$40,425
FY 2009	\$40,425	\$40,425

PL- 101 - BOPP Board Member Per Diem -

This request will restore the base and increase the Montana Board of Pardons and Parole member's compensation as outlined in 2-25-124 (7), MCA. The Executive recommends \$40,425 per year in general fund each year to fully fund board compensation requirements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,000	\$3,000
FY 2009	\$3,000	\$3,000

PL- 105 - BOPP ACA Re-Accreditation -

This request will continue the funding for the American Corrections Association (ACA) accreditation fee. Standards set by ACA reflect practical up-to-date policies and procedures and function as a management tool for over 1,200 correctional agencies. The Executive recommends \$3,000 per year in general fund authority to fund this accreditation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$474,220	\$474,220
FY 2009	\$474,220	\$474,220

PL- 112 - Rent Adjustment for Helena Office Space -

This request is for additional rent costs in a building the department will move to in the next biennium. This move is mainly due to documented health hazards in the Helena Central Office.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,546	\$56,546
FY 2009	\$53,925	\$53,925

PL- 113 - 1.00 FTE for Managed Care Professional - RN -

This request is for 1.00 FTE additional Managed Care Registered Nursing professional. Due to the increase in offender population and escalating medical costs the Executive recommends \$56,546 in FY 2008 and \$53,925 in FY 2009 of general fund for this request.

Department Of Corrections-6401 Admin And Support Services-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$281,080	\$281,080
FY 2009	\$270,283	\$270,283

PL- 115 - IT Staff Addition -

The Department of Corrections does not have a sufficient IT staff to support the size and critical IT needs of the agency. This request is for 4.00 FTE IT staff intended for desktop application, project management, and security operations. The Executive requests general funds of \$281,080 in FY 2008 and \$270,283 in FY 2009

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$247,000	\$247,000
FY 2009	\$27,800	\$27,800

PL- 116 - Correctional Staff Scheduling Software OTO -

This one-time-only, restricted request is for a modern enterprisewide staff scheduling system. It is vital that the department's facilities have an efficient and reliable way to schedule officers, fill posts when there are vacancies, and track the time each officer has worked. The Executive recommends \$247,000 in FY 2008 and \$27,800 in FY 2009 of general fund for this request.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$125,000
FY 2009	\$35,000	\$17,500

PL- 117 - Commissary, Inmate Banking, Rest. Software OTO -

This one-time-only, restricted request will replace the existing obsolete Commissary/Inmate Banking system, the offender restitution tracking software acquired from Cascade County, and fulfill the required upgrade support to the department's AS/400. The Executive recommends \$125,000 in FY 2008 and \$17,500 in FY 2009 of general fund for this request and a like amount of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$350,000	\$350,000
FY 2009	\$26,750	\$26,750

PL- 118 - MSP Fiber Plant Upgrade OTO -

This one-time-only, restricted request will replace the existing fiber plant at Montana State Prison (MSP) which is obsolete and incapable of meeting the needs of the department. In addition, existing switches are out of warranty and it is anticipated by the Department of Administration ITSD design group that replacement parts will be out of manufacture by the first or second quarter 2007. The Executive recommends \$350,000 in FY 2008 and \$26,750 in FY 2009 of general fund for this request.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$170,000	\$170,000
FY 2009	\$130,000	\$130,000

PL- 119 - IT Service Upgrades -

This request is for hardware, software, and licenses to upgrade existing systems requiring replacement, capacity increases for services that are becoming more heavily utilized, and adding redundancy to critical systems. The Executive recommends general funds of \$170,000 in FY 2008 and \$130,000 in FY 2009 for this request.

Department Of Corrections-6401 Admin And Support Services-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$145,404	\$145,404
FY 2009	\$155,381	\$155,381

PL- 130 - CPI Inflationary Increase for Medical -

This request will increase operating costs to account for population and inflationary increases associated with outside inmate medical expenses. This rate of inflation is anticipated to be 6.22% each year of the biennium according to the Consumer Price Index (CPI). The Executive requests general funds of \$145,404 in FY 2008 and \$155,381 in FY 2009.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,013	\$55,013
FY 2009	\$55,049	\$55,049

NP- 104 - BOPP Administrative Officer -

This request will fund a 1.00 FTE Administrative Officer to prepare inmate cases and provide services to the board members, inmates, and the public concerning felony offenders incarcerated or residents of the Shelby Regional Prison, Great Falls Pre-Release Center, Great Falls Regional Prison, and the proposed methamphetamine treatment centers for the Board of Pardons and Parole. The general fund cost for the biennium is \$110,062.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$12,927	\$12,927
FY 2009	\$12,927	\$12,927

NP- 106 - BOPP Computer Software and a Scanner OTO -

The proposed system will utilize electronic forms and documents and an application to search and retrieve forms. Board members can remotely access needed files eliminating the staff from compiling and distributing forms and reports. Reports and forms will be distributed via DVD, ultimately realizing a cost savings due to decreased bulk postage, and less distribution. The Executive requests \$12,927 one-time-only general funding for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,500	\$7,500
FY 2009	\$7,500	\$7,500

NP- 107 - BOPP Contract with a Private Attorney -

The Board of Pardons and Parole is allowed by 46-23-105, MCA, to appoint a qualified attorney to act as its legal advisor and to represent it in all proceedings. The DOC attorneys provide tremendous support but there are occasionally questions that concern the DOC/BOPP relationship that may cause a conflict of interest. This request allows funding for the contract attorney position. The Executive recommends \$7,500 general fund for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$150,000
FY 2009	\$150,000	\$150,000

NP- 110 - Electronic Storage and Workflow -

This request will allow the entire offender record to be scanned and available for immediate access from any work location. The request also includes storage fees and assistance in setting up policies for storage and retention of the records. The Executive requests \$150,000 of general fund for each year of the biennium.

Department Of Corrections-6401 Admin And Support Services-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$116,136	\$116,136
FY 2009	\$59,936	\$59,936

NP- 111 - Video Conferencing Expansion OTO -

This one-time-only request for \$116,136 in FY 2008 and \$59,936 in FY 2009 will provide additional video conferencing capability for court appearances. Currently, inmates in maximum security are escorted from their cell to the visiting area for their visitations. This requires two officers as escorts, and is a safety risk to staff and inmates each time a maximum security inmate is escorted in this way. It is anticipated that video visitations will decrease contraband while adding more opportunities for family visits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$77,736	\$0
FY 2009	\$72,466	\$0

NP- 114 - Collection Technician FTE -

This request is for 2.00 FTE Collection Technicians. During the 2003 Session, legislation was passed requiring the department to collect all restitution owed by offenders convicted of a felony offense. In addition, during the 2005 Session the department was ordered to begin collecting Supervision Fees from offenders statewide, which were previously collected by the Clerk of the Courts in 56 counties. The Executive recommends state special revenue authority of \$77,736 in FY 2008 and \$72,466 in FY 2009 to fund these positions which will facilitate the collections of these funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,622,424	\$2,622,424
FY 2009	\$0	\$0

NP- 120 - Interoperable Communication Project - OTO -

The vast majority of the ability to communicate with land mobile radios for the department comes from the authorization of local governments and 9-1-1 Centers across the state. Changes in this industry have necessitated this request to replace the existing radios and communications infrastructure throughout the department and it's institutions. This general fund one-time-only biennial request is for \$2,622,424.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$79,181	\$79,181
FY 2009	\$79,181	\$79,181

NP- 121 - Behavioral Health Facilitator -

This request is for 1.00 FTE which will report to and receive direction from the Department of Public Health and Human Services (DPHHS) and the Department of Corrections (DOC). The incumbent will be co-supervised by the administrator of the Addictive and Mental Disorders Division at DPHHS and the administrator of the Health, Planning and Information Services Division at DOC with close liaison with both DPHHS and DOC directors. The goal of creating this position is to improve the way state agencies function together on behalf of individuals with serious mental illnesses and/or chemical dependency, and to facilitate system changes that will enhance the recovery of these individuals. The Executive recommends general funding of \$79,181 each year of the biennium for this request.

Department Of Corrections-6401 Community Corrections-02

Program Description - The Community Corrections Division includes adult probation and parole, male and female community corrections program, boot camp training unit, DUI treatment facility, methamphetamine treatment facilities (spring 2007), and diversion from prison programs. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, and Helena for prerelease services.

Program Indicators -

Pre-release

Indicator	Actual FY 2004	Actual FY 2005	Actual FY 2006	Estimated FY 2007	Requested FY 2008	Requested FY 2009
Prerelease Center Beds Available as of 6/30	551	599	651	784	844	959
Male	441	489	517	610	650	735
Female	110	110	134	174	194	224
Recidivism Rates PRCs		New Crime N/A Technical Viol. 37%	New Crime 8% Technical Viol. 41%	New Crime 5% Technical Viol. 41%	New Crime 5% Technical Viol. 41%	New Crime 5% Technical Viol. 41%
Length of Stay at PRCs	N/A	Males 187.23 days Females 180.92 days	Males 181.21 days Females 174.26 days	Males 180 days Females 180 days	Males 180 days Females 180 days	Males 180 days Females 180 days
Recidivism Rates TSCTC	N/A	New Crime 13% Technical Viol. 35.9%	New Crime 13% Technical Viol. 37.6%	New Crime 13% Technical Viol. 37.6%	New Crime 11% Technical Viol. 29%	New Crime 9% Technical Viol. 26%
Recidivism Rates WATCH	N/A	N/A	27%	27%	27%	27%
START Community Placement Rates Center opened in December 2005	N/A	N/A	75%	75%	75%	75%

Probation and Parole

	Actual FY2006			Estimated FY2007			Estimated FY2008**			Estimated FY2009		
Indicator	Work Load	Total POs	Need	Work Load	Total POs	Need	Work Load	Total POs	Need	Work Load	Total POs	Need
Region 1	21.935	20	1.9	27.857	20	7.857	31.478	23	8.478	35.570	24	11.570
Region 2	28.750	26	2.75	31.912	27	4.912	36.060	33	3.060	40.747	36	4.747
Region 3	20.835	17	3.8	21.668	18	3.668	24.484	20	4.484	27.666	21	6.666
Region 4	25.349	18	7	29.151	19	10.151	32.940	23	9.940	37.222	25	12.222
Region 5	19.897	18	1.9	24.075	18	6.075	27.204	20	7.204	30.740	21	9.740
Region 6	6.097	6	0	6.115	6	0	6.909	7	0	7.807	7	.807
Total	122.86	105	17.35	140.78	108	32.66	159.08	126	33.17	179.75	134	45.752

** Total POs for FY2008 include officers requested through EPP.

Indicator	Actual FY 2005	Actual FY 2006	Estimated FY 2007	Estimated FY 2008	Estimated FY 2009
Restitution Collection	\$2.14 Million	\$2.99 Million	\$3.13 Million	\$3.28 Million	\$3.44 Million

Estimates are based on a projected 5% collection increase annually.

Department Of Corrections-6401

Community Corrections-02

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	225.00	29.00	0.00	254.00	37.00	0.00	262.00
Personal Services	10,756,980	1,847,104	0	12,604,084	2,254,276	0	13,011,256
Operating Expenses	22,638,530	16,591,037	0	39,229,567	17,248,964	1,898,000	41,785,494
Total Costs	\$33,395,510	\$18,438,141	\$0	\$51,833,651	\$19,503,240	\$1,898,000	\$54,796,750
General Fund	33,008,638	18,270,844	0	51,279,482	19,335,943	1,898,000	54,242,581
State/Other Special	386,872	167,297	0	554,169	167,297	0	554,169
Total Funds	\$33,395,510	\$18,438,141	\$0	\$51,833,651	\$19,503,240	\$1,898,000	\$54,796,750

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,541,342	\$4,541,342
FY 2009	\$4,541,342	\$4,541,342

PL- 201 - Annualize Prerelease Beds -

This request annualizes the cost of the contracted prerelease beds brought on-line during the base year and reflects the differential between the projected costs for prerelease beds in FY 2008 and FY 2009 and what was captured in the base budget. The Executive requests \$4,541,342 in general fund for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,306,512	\$5,306,512
FY 2009	\$5,306,512	\$5,306,512

PL- 203 - Annualize 120 Meth Treatment Beds -

The Executive requests \$5,306,512 in general fund for each year of the biennium to fund the methamphetamine treatment beds in the Department of Corrections. These beds are an alternative sentencing provision as outlined in 53-1-204 (c) (ii), MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,334,509	\$1,334,509
FY 2009	\$1,334,509	\$1,334,509

PL- 204 - Annualize 50 Additional Treatment Beds -

This request will annualize beds for the expansion of current chemical dependency treatment brought on-line during the base year and reflects the differential between the projected cost of the treatment beds in FY 2008 and FY 2009 and what was captured in the base budget. The Executive requests \$1,334,509 general fund for each year of the biennium for this request.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$546,520	\$546,520
FY 2009	\$546,520	\$546,520

PL- 205 - P & P Chemical Dependency Counselor Contracts -

This request will fund increased community based chemical dependency and mental health services for offenders under Probation or Parole supervision. The Executive recommends \$546,520 in general fund for each year of the biennium.

Department Of Corrections-6401 Community Corrections-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,231,015	\$1,231,015
FY 2009	\$1,231,015	\$1,231,015

PL- 206 - Annualize START Beds -

This request annualizes the funding to provide alternatives to prison by housing male offenders in sanction and diversion programs. The decision package reflects the differential between the projected costs for the sanction and diversion programs in FY 2008 and FY 2009 and what was captured in the base budget. The Executive recommends \$1,231,015 in general fund for each year of the biennium

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,382,684	\$2,382,684
FY 2009	\$2,382,684	\$2,382,684

PL- 207 - Annualize Connections/WATCH/BASC beds -

This proposal annualizes the beds for chemical dependency programs as well as sanction and diversion programs for females. These programs furnish the department with additional bed placement and treatment options as an alternative to prison. The Executive recommends \$2,382,684 per year general funds to support the continuation of these programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,445,769	\$1,445,769
FY 2009	\$1,778,217	\$1,778,217

PL- 209 - Additional Probation and Parole FTE -

This request is for 28.00 FTE Probation and Parole staff in FY 2008 and 36.00 FTE Probation & Parole staff in FY 2009 and the related expenses. The additional staff will assist the department with the increased offender community placements. This Executive request is for funding from the general fund of \$1,445,769 in FY 2008 and \$1,778,217 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$198,544	\$31,247
FY 2009	\$195,792	\$28,495

PL- 210 - P&P Administrative Staff/Add Support Fee Auth. -

This request is for 1.00 FTE administrative support staff in FY 2008 and FY 2009 due to increased offender community placements. In addition, this request includes additional state special revenue funding (supervision fees) in the amount of \$167,297 per year. To enable the division to offset the cost related to training and safety. Total general fund request for FY 2008 is \$31,247 and \$28,495 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,082	\$27,082
FY 2009	\$27,082	\$27,082

PL- 214 - Treasure State Correctional Training Center OT -

This request is for overtime expenses, which are zero based, for the Treasure State Correctional Training Center to cover all shifts and posts. The estimated amount of the expenditures is \$27,082 general fund each year of the biennium.

Department Of Corrections-6401 **Community Corrections-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$673,458	\$673,458
FY 2009	\$1,346,916	\$1,346,916

PL- 215 - Provider Rate Increase -

The Executive recommends general fund of \$673,458 in FY 2008 and \$1,346,916 in FY 2009 to provide the department with the funding capability to grant up to a 2% provider rate increase in each year of the biennium for the department's prerelease and treatment bed providers, thus providing a 4% increase by FY 2009.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$1,898,000	\$1,898,000

NP- 202 - Additional 80 Prerelease Beds - NW Montana -

This request is for 80 additional prerelease beds to be located in northwestern Montana. Presently, the Kalispell region has over 1,300 felony offenders under supervision representing nearly 20% of all offenders under probation and parole supervision. Without prerelease services it is difficult to divert offenders from prison or offer appropriate services for offenders to return to their local community. The Executive recommends general funding in the amount of \$1,898,000 for FY 2009 to fund these additional beds.

Department Of Corrections-6401 Secure Custody Facilities-03

Program Description - The Secure Facilities Program includes the Montana State Prison, Montana Women's Prison, and contract bed facilities which include: Dawson County Correctional Facility, Cascade County Regional Prison, Missoula Assessment and Sanction Center, and Crossroads Correctional Center in Shelby. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Montana State Prison:						
% of Inmates Employed	70%	70%	70%	70%	72%	72%
Number of Escapes	1	4*	1*	0	0	0
Number of Inmate Grievances	781	967	522	500	500	500
Number of Inmate UA's Conducted	1640	1372	1422	1500	1500	1500
Disciplinary Infractions Issued	3080	2579	3178	3200	3200	3200
Inmate Assault on Inmate	34	25	57	50	50	50
Inmate Assault on Staff	10	11	21	15	15	15

* Escapes occurred during transports by contracted companies

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Montana Women's Prison:						
Education participation of total population	80%	80%	81%	80%	80%	80%
Corrective Thinking participation of population	30%	37%	43%	50%	50%	50%
Chemical Dependency program completion prior to release	86%	87%	91%	90%	90%	90%
Parenting program participation of total population	90%	90%	89%	90%	90%	90%

Department Of Corrections-6401 Secure Custody Facilities-03

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	625.79	14.00	0.00	639.79	14.00	0.00	639.79
Personal Services	28,764,463	2,899,824	0	31,664,287	3,037,539	0	31,802,002
Operating Expenses	34,690,501	10,622,575	0	45,313,076	15,626,426	0	50,316,927
Equipment	250,598	315,415	0	566,013	216,000	0	466,598
Total Costs	\$63,705,562	\$13,837,814	\$0	\$77,543,376	\$18,879,965	\$0	\$82,585,527
General Fund	63,605,562	13,837,814	0	77,443,376	18,879,965	0	82,485,527
State/Other Special	100,000	0	0	100,000	0	0	100,000
Total Funds	\$63,705,562	\$13,837,814	\$0	\$77,543,376	\$18,879,965	\$0	\$82,585,527

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$68,520	\$68,520
FY 2009	\$65,684	\$65,684

PL- 1 - Correctional Officers MWP -

This request is for 2.00 FTE correctional officers to provide for the appropriate shift relief factor and assist with training requirements at the Montana Women's Prison in Billings. The Executive recommends \$68,520 for FY 2008 and \$65,684 for FY 2009 of general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$152,489	\$152,489
FY 2009	\$167,489	\$167,489

PL- 3 - MWP Contract Annualization and Increases -

This request for the Montana Women's Prison is for a part time education contracted position including upgrades to the education equipment in the computer lab which was provided by the Billings Adult Education Center. The Executive requests \$152,489 for FY 2008 and \$167,489 for FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$65,000	\$65,000
FY 2009	\$70,000	\$70,000

PL- 4 - MWP Inmate Pay -

Funds for inmate pay are zero based. The Executive recommends funding inmate wages at the Montana Women's Prison for \$65,000 of general fund in FY 2008 and \$70,000 in FY 2009.

Department Of Corrections-6401 Secure Custody Facilities-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$152,915	\$152,915
FY 2009	\$0	\$0

PL- 6 - MWP Security/Training Equipment OTO -

The current Morse Watchman Key Watcher System requires expansion to cover the entire workforce in new and older locations. The addition of security cameras that can record are an excellent tool to help maintain safety and security as well as assisting with Prison Rape Elimination Act (PREA) compliance requirements. This one-time-only request also includes upgrading the current janitorial equipment. The Executive requests one-time-only general funding of \$152,915 for FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$231,454	\$231,454
FY 2009	\$231,454	\$231,454

PL- 8 - MWP Overtime -

The Executive recommends funding overtime for the Montana Women's Prison in the amount of \$231,454 for each year of the biennium. This request is necessary because overtime is zero based and coverage is required 24x7x365 for each post.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$848,533	\$848,533
FY 2009	\$850,602	\$850,602

PL- 301 - Annualize Contract Beds -

This request annualizes the beds and current rate structure for secure contract beds located at Dawson County Regional Prison, Cascade Regional Prison, CCA, and Missoula Assessment and Sanction Center. The Executive recommends appropriating \$848,533 in FY 2008 and \$850,602 in FY 2009 of general fund authority.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,110,300	\$8,110,300
FY 2009	\$13,430,723	\$13,430,723

PL- 302 - Adjustment to contract beds for pop. growth -

The adult secure care population is projected to grow by 6 percent in both FY 2008 and FY 2009. The department estimates a general fund cost of \$8,110,300 in FY 2008 and \$13,430,723 in FY 2009 to accommodate this projected rate of growth through contracted beds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$324,408	\$324,408
FY 2009	\$648,816	\$648,816

PL- 303 - Provider Rate Increase -

The Executive recommends general fund of \$324,408 in FY 2008 and \$648,816 in FY 2009 to provide the department with the funding capability to grant up to a 2% provider rate increase in each year of the biennium for the department's contracted bed providers, thus providing a 4% increase by FY 2009.

Department Of Corrections-6401 **Secure Custody Facilities-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$501,463	\$501,463
FY 2009	\$491,599	\$491,599

PL- 3002 - Inmate Transportation -

This request replaces a contract that provided transportation of all inmates in the correctional system. Montana State Prison has been responsible for this component since 7/1/2006 when the contract expired. The request includes 9.00 FTE transportation officers and related operating costs. The Executive recommends \$501,463 in FY 2008 and \$491,599 in FY 2009 of general funds for this request

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$209,430	\$209,430
FY 2009	\$188,137	\$188,137

PL- 3005 - 3 FTE for Infirmary and Mental Health -

This request is to add 1.00 FTE for each year of the biennium to the MSP Infirmary operation to provide needed services and supervision of the expanding population. In addition, 2.00 FTE are requested for the MSP Mental Health Unit and an increase in the contract for psychology assistants. The Executive recommends general funding of \$209,430 in FY 2008 and \$188,137 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$496,503	\$496,503
FY 2009	\$0	\$0

PL- 3006 - MSP One Time Only Supplies OTO -

This request is for one-time-only funding for supplies, equipment, and specialty items needed for the infirmary, inmate surveillance, emergency phone contacts, key control, records, GPS vehicle tracking, staff safety and security, road maintenance, and overall facility operations. The Executive recommends \$496,503 for FY 2008 of one-time general funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$162,500	\$162,500
FY 2009	\$216,000	\$216,000

PL- 3010 - MSP Replacement Equipment OTO -

This request will fund the replacement of equipment which has met its useful life. The equipment scheduled for replacement includes a skid steer, change house contraband detection unit, retherm ovens, vehicles, and a delivery truck. The Executive requests \$162,500 in general fund for FY 2008 and \$216,000 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$282,938	\$182,938
FY 2009	\$282,938	\$182,938

PL- 3012 - MSP Inmate Pay -

Fund for inmate wages are zero based, therefore the Executive recommends funding inmate wages in the secure facilities of \$182,938 general fund and \$100,000 state special funding for each year of the biennium.

Department Of Corrections-6401

Secure Custody Facilities-03

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$161,223	\$161,223
FY 2009	\$0	\$0

PL- 3013 - MSP Staff Transportation OTO -

This request is for one year of funding as it relates to the employee transportation system Montana State Prison in Deer Lodge. The department is working with the Department of Transportation to establish a public bus route which is anticipated to come on-line for FY 2009. The Executive recommends \$161,223 of general fund for FY2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,239,639	\$1,239,639
FY 2009	\$1,239,639	\$1,239,639

PL- 3014 - MSP Overtime -

The Executive recommends funding overtime for the Montana State Prison in the amount of \$1,239,639 for each year of the biennium. This request is necessary because overtime is zero based and coverage is required 24x7x365 for each post.

Department Of Corrections-6401 Montana Correctional Enterprises-04

Please note that this program also contains proprietary funds (see section P).

Program Description - The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 400 offenders with minimal general fund support. MCE programs allow offenders to gain valuable knowledge, life skills and work experience, helping them to transition back into society.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
MCE Program:						
MCE Program Revenue	\$5,471,000	\$5,622,776	\$10,483,788	\$10,900,000	\$12,000,000	\$12,000,000
Number of Inmate Workers – MSP	321	329	424	425	450	450
Number of Inmate Workers – Other Facilities	2	1	20	35	50	50
Crime Victim Payments – PIE Programs	\$2,517	\$317	\$7,284	\$14,000	\$15,000	\$15,000
Family Support Deductions – PIE Programs	\$1,865	\$235	\$5,924	\$12,500	\$13,000	\$13,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	17.50	0.00	0.00	17.50	0.00	0.00	17.50
Personal Services	863,006	167,180	0	1,030,186	169,573	0	1,032,579
Operating Expenses	2,310,838	1,030,899	0	3,341,737	1,031,544	0	3,342,382
Debt Service	216,708	0	0	216,708	0	0	216,708
Total Costs	\$3,390,552	\$1,198,079	\$0	\$4,588,631	\$1,201,117	\$0	\$4,591,669
General Fund	1,718,489	610,494	0	2,328,983	612,971	0	2,331,460
State/Other Special	1,264,038	529,122	0	1,793,160	529,123	0	1,793,161
Proprietary	408,025	58,463	0	466,488	59,023	0	467,048
Total Funds	\$3,390,552	\$1,198,079	\$0	\$4,588,631	\$1,201,117	\$0	\$4,591,669

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,926	\$66,846
FY 2009	\$120,926	\$66,846
PL- 401 - License Plate/Vocational Education Inmate Payroll -		

This request is for the restoration of zero-based inmate pay funding for the license plate factory and the vocational educational program. The Executive recommends \$ 66,846 of general fund and \$54,080 of proprietary funding for each year of the biennium.

Department Of Corrections-6401 **Montana Correctional Enterprises-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$529,120	\$0
FY 2009	\$529,120	\$0

PL- 403 - Canteen Additional State Special Fund Authority -

This request is for additional operating and inmate payroll state special revenue spending authority. Due to the addition of new units at Montana State Prison and the Montana Women's Prison, additional spending authority is necessary. Inmate payroll is zero-based and was previously funded by the general fund. The Executive recommends an increase in state special spending authority of \$529,120 for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$523,176	\$523,176
FY 2009	\$523,176	\$523,176

PL- 408 - License Plate Appropriation to maintain current production -

The MCE License Plate Factory received a \$495,000 increase in the second year appropriation in the 2007 biennium due to increased plate production and aluminum costs. The base year was not adjusted, as it was a reissue year, and it was unknown the number of plates that would be associated with the reissue and the number associated with the regular issue. The appropriation received for the reissue was a restricted, one-time-only appropriation; therefore it did not increase the base budget. The Executive recommends appropriating \$523,176 of general fund for each year of the biennium for the costs of license plate production.

Department Of Corrections-6401

Juvenile Corrections-05

Program Description - The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City and Riverside Youth Correctional Facility for females in Boulder and Youth Community Corrections. Additional responsibilities include research and training for the division, other agencies, and administrative support services.

Program Indicators –

Indicator	Actual FY2004	Actual FY 2005	Actual FY 2006	Estimated FY2007	Estimated FY2008	Estimated FY2009
RESTITUTION PROGRAM						
PHYCF						
Amount Paid to victims	\$24,356.07	\$27,227.50	\$33,020.01	\$34,000	\$34,000	\$34,000
# Youth in Restitution Program	29	35	36	38	38	38
# Community Services hrs Worked	5,535	7,803	5,701	6,000	6,000	6,000
# Youth in Community Service Program	54	65	50	55	55	55
RYCF						
Community Service Hours On & Off Grounds	485	673	738	750	750	750
EDUCATION PROGRAM						
PHYCF - Pre & Post Testing (grade level raised within 90 days)	1.1	1.0	0.7	1.0	1.0	1.0
Reading Comprehension	0.8	1.1	1.1	1.1	1.1	1.1
Language Expression	1.0	1.2	1.3	1.3	1.3	1.3
Math Computation						
PHYCF Diploma	5	3	5	5	5	5
PHYCF GED	36	31	21	28	28	28
RYCF Diploma	1	4	4	4	4	4
RYCF GED	1	3	3	3	3	3
FELONY RECIDIVISM						
PHYCF	8.01%	9.5%	10%	10%	10%	10%
RYCF	2.4%	3.8%	4%	4%	4%	4%
ESCAPES						
PHYCF – In FY 2003 there were 0 escapes. The goal is to maintain security to keep escapes to a minimum.	0	0	4	0	0	0
RYCF – In FY 2003 there were 0 escapes. The goal is to maintain security to keep escapes at a minimum.	2	1	0	0	0	0
SEX OFFENDER PROGRAM - PHYCF - 95 Sex offenders admitted to program Since opening April 2000 – 74 released or discharged as of 6/30/06						
THIRD PARTY FUNDING – Juvenile Placements*	\$559,977	\$607,620	\$578,596	\$550,000	\$550,000	\$550,000
*Third party funding is dependent on # of youth at the facilities and the amount of contributions families are able to make						

Department Of Corrections-6401

Juvenile Corrections-05

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	201.85	0.00	4.00	205.85	0.00	4.00	205.85
Personal Services	9,020,543	1,128,772	153,311	10,302,626	1,174,155	153,686	10,348,384
Operating Expenses	1,967,671	903,493	845,339	3,716,503	502,010	810,339	3,280,020
Equipment	6,500	0	0	6,500	0	0	6,500
Benefits & Claims	4,508,563	0	0	4,508,563	0	0	4,508,563
Transfers	1,866,299	0	0	1,866,299	0	0	1,866,299
Total Costs	\$17,369,576	\$2,032,265	\$998,650	\$20,400,491	\$1,676,165	\$964,025	\$20,009,7667
General Fund	16,644,635	1,682,945	998,650	19,326,230	1,326,845	964,025	18,935,505
State/Other Special	505,885	345,000	0	850,885	345,000	0	850,885
Federal Special	219,056	4,320	0	223,376	4,320	0	223,376
Total Funds	\$17,369,576	\$2,032,265	\$998,650	\$20,400,491	\$1,676,165	\$964,025	\$20,009,766

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$161,000	\$161,000
FY 2009	\$0	\$0

PL- 501 - PHYCF Safety & Security Replacement Needs OTO -

This one-time-only request will allow the upgrade of the camera system, replace the outdated intercom system, and install new upgraded smoke detectors at Pine Hills. The Executive recommends \$161,000 of general fund for FY 2008 for this request.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$60,100	\$60,100
FY 2009	\$0	\$0

PL- 502 - RYCF Safety/Security Replacement Needs OTO -

This request will address numerous equipment replacement issues at the Riverside Youth Correctional Facility that have not been addressed previously due to of lack of funding. Some of the issues addressed include a housing unit security system, automated sally port gates, automated key tracking system, and a number of new windows in the housing unit. This one-time-only replacement request requires \$60,100 of general fund in FY 2008.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$140,000	\$140,000
FY 2009	\$0	\$0

PL- 503 - PHYCF Replace Gym Floor OTO -

This one-time-only request would replace the entire 40 year old, worn out gym floor at Pine Hills. The Executive requests \$140,000 in general fund for FY 2008 to fund the replacement.

Department Of Corrections-6401 Juvenile Corrections-05

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,900	\$50,900
FY 2009	\$0	\$0

PL- 506 - PHYCF Laundry OTO -

This one-time-only request of \$50,900 will provide for the purchase of industrial washers and dryers at the Pine Hills Youth Correctional Facility. This request will eliminate an annual cost of \$14,400 currently spent on equipment replacement and contract laundry.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$63,800	\$63,800
FY 2009	\$63,800	\$63,800

PL- 508 - Educator Entitlement Adj Annualization -

This request follows HB 1, section 7 as approved by the 2005 Special Legislative Session which is for educator entitlements. The Executive requests \$63,800 of general fund for each year of the biennium to annualize this cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$48,156	\$48,156
FY 2009	\$48,156	\$48,156

PL- 509 - Youth Corrections Inmate Pay -

Funding for inmate pay is a zero based item. This budget will allow Riverside Youth Correctional Facility and Pine Hills Youth Correctional Facility the ability to pay youth inmate pay for the services they provide. The Executive requests \$48,156 of general fund for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$331,455	\$331,455
FY 2009	\$331,455	\$331,455

PL- 510 - Youth Corrections Overtime -

Overtime is a zero based item. Pine Hills Youth Correctional Facility, Riverside Youth Correctional Facility, and the Youth Transition Center require 24x7x365 post coverage. The Executive requests \$331,455 general fund for each year of the biennium for overtime costs at these facilities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,300	\$5,300
FY 2009	\$5,300	\$5,300

PL- 511 - Chaplain Contract for RYCF -

Riverside Youth Correctional Facility currently has one volunteer chaplain. This request would provide chaplain services on a full time basis. The Executive recommends \$5,300 of general fund for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$192,000	\$0
FY 2009	\$192,000	\$0

PL- 512 - Increased Authority for Parental Contributions -

This request is to increase the state special revenue authority for payments made by parents of incarcerated juvenile offenders. The Executive recommends an increase of \$192,000 of state special revenue authority for each year of the biennium.

Department Of Corrections-6401 **Juvenile Corrections-05**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$153,000	\$0
FY 2009	\$153,000	\$0

PL- 513 - Donations, Interest & Income - Pine Hills -

This request is for additional state special authority relating the to Donation Interest and Income Account at Pine Hills Youth Correctional Facility. Revenue is based on land leases and timber sales. This request is for state special revenue of \$153,000 each year of the biennium

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$878,348	\$878,348
FY 2009	\$878,544	\$878,544

NP- 501 - Juvenile Re-Entry -

Juvenile Re-Entry is a community-based program for youth released from secure facilities. Components include housing, mentoring services, faith based, and health related services. This program had been federally funded since FY 2004 and is anticipated to be omitted from the federal budget next year. This programming provides a reduction in secure care by reducing recidivism rates, which will result in overall savings to the department. The Executive recommends \$878,348 of general funding for each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$69,896	\$69,896
FY 2009	\$70,075	\$70,075

NP- 502 - Riverside School-to-Work Program -

This request is for 2.00 FTE food service positions to staff the commercial kitchen in NP 505 and implement a food service school-to-work program at Riverside Youth Correctional Facility. This is a major part of life skills development for all youth and would allow education credits. The Executive requests general fund of \$69,896 for FY 2008 and \$70,075 for FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,000	\$35,000
FY 2009	\$0	\$0

NP- 505 - RYCF Commercial Kitchen OTO -

This request is for one-time-only equipment purchases for a commercial kitchen at Riverside Youth Correctional Facility. This \$35,000 request will assist in alleviating the current parity issue regarding work programs for juvenile offenders. Currently, the only kitchen program resides at PHYCF; this request will provide equitable opportunities for female offenders as they work their way back into residential placement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,406	\$15,406
FY 2009	\$15,406	\$15,406

NP- 506 - Educator Entitlement Increase -

The Executive recommends an increase of \$5,406 each year of the biennium to the educator entitlement funding as provided in current law. This is calculated based on certified FTE and 1.4 percent retirement cost.

Department Of Labor & Industry-6602

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - The purpose of the Department of Labor and Industry is to promote the well-being of Montana's workers, employers, and citizens, and to uphold their rights and responsibilities.

Statutory Authority - Primarily Titles 18, 39, 49, 50, and 90, MCA, and the federal Corporation for National Service.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	726.58	(2.00)	5.50	730.08	(2.00)	5.50	730.08
Personal Services	32,154,967	4,571,032	244,271	36,970,270	4,745,650	244,775	37,145,392
Operating Expenses	17,586,487	2,612,712	126,361	20,325,560	2,670,196	71,828	20,328,511
Equipment	425,584	89,000	14,700	529,284	90,000	14,700	530,284
Grants	11,211,885	20,917	0	11,232,802	20,917	0	11,232,802
Benefits & Claims	135,586	0	0	135,586	0	0	135,586
Transfers	170,036	0	0	170,036	0	0	170,036
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$61,688,320	\$7,293,661	\$385,332	\$69,367,313	\$7,526,763	\$331,303	\$69,546,386
General Fund	1,623,914	346,517	200,000	2,170,431	356,346	200,000	2,180,260
State/Other Special	29,089,380	3,137,914	1,290,903	33,518,197	3,249,923	2,631,303	34,970,606
Federal Special	30,904,462	3,796,267	(1,105,571)	33,595,158	3,904,922	(2,500,000)	32,309,384
Proprietary	70,564	12,963	0	83,527	15,572	0	86,136
Total Funds	\$61,688,320	\$7,293,661	\$385,332	\$69,367,313	\$7,526,763	\$331,303	\$69,546,386

Department Of Labor & Industry-6602

Work Force Services Division-01

Please note that this program also contains proprietary funds (see section P).

Program Description - The Workforce Services Division (WSD) operates through four bureaus. The Field Operations Bureau functions through a network of 23 Job Service Workforce Centers. The division is a gateway to government services in the area of employment and training services. The WSD performs services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers. Other bureaus include Workforce Technology, Statewide Workforce Programs & Oversight Bureau, and Research and Analysis.

Program Indicators -

Indicator	Actual 2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
MCIS Users	10,536	16,213	30,174	35,000	37,500	37,500
Statistical Data Inquiry – R&A (Sessions*)	335,098	356,649	369,126	375,000	380,000	380,000
Apprenticeship Training Participants	1,087	1,188	1,277	1,379	1,489	1,608
Jobs for Montana's Graduates	785	778	816	825	850	900

*Indicates number of times website was visited.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	305.95	0.00	0.00	305.95	0.00	0.00	305.95
Personal Services	12,231,745	2,704,104	0	14,935,849	2,770,197	0	15,001,942
Operating Expenses	4,461,353	317,681	0	4,779,034	275,415	0	4,736,768
Equipment	73,398	0	0	73,398	0	0	73,398
Grants	8,591,771	0	0	8,591,771	0	0	8,591,771
Transfers	170,036	0	0	170,036	0	0	170,036
Total Costs	\$25,528,303	\$3,021,785	\$0	\$28,550,088	\$3,045,612	\$0	\$28,573,915
General Fund	514,064	13,837	200,000	727,901	15,166	200,000	729,230
State/Other Special	7,144,739	635,245	0	7,779,984	598,357	0	7,743,096
Federal Special	17,869,500	2,372,703	(200,000)	20,042,203	2,432,089	(200,000)	20,101,589
Total Funds	\$25,528,303	\$3,021,785	\$0	\$28,550,088	\$3,045,612	\$0	\$28,573,915

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$325,249	\$7,927
FY 2009	\$256,838	\$8,758

PL- 10002 - Operating Increase -

This decision package reflects various operating expense increases including indirect costs, database improvements, and rent increases. Total cost of the adjustments is \$325,249 in FY 2008 and \$256,838 in FY 2009. Funding is a mix of general fund, state special revenue, and federal special revenue.

Department Of Labor & Industry-6602
Work Force Services Division-01

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$200,000
FY 2009	\$0	\$200,000

NP- 10001 - Research & Analysis Funding Switch -

The Research and Analysis Bureau has experienced a reduction in federal special revenue. The Executive recommends this decision package to switch \$200,000 in federal special revenue to the general fund in both years of the biennium in order to maintain and continue the work performed by the bureau.

Department Of Labor & Industry-6602

Unemployment Insurance Divisio-02

Please note that this program also contains proprietary funds (see section P).

Program Description - The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to unemployed individuals. In FY 2006 the UI Division was organized into four bureaus. In FY 2007 UI completed a reorganization to consolidate functions from four bureaus into three bureaus. The bureaus are: Contributions, Claims Processing, and Program Support. The Contributions Bureau is responsible for UI employer registration, UI tax, wage report collection, wage revisions, and employer audits. The Claims Processing Bureau has two claims processing centers (Billings and Helena) that file and adjudicate UI claims, and respond to all UI claim related inquiries. The Claims Processing Bureau is also responsible for Trade Readjustment Assistance, military, federal and multi-state claims. The Program Support Bureau manages the information technology systems and infrastructure, the division budget, and accounting and the UI trust fund. They also provide management analysis and research for economic, program management, reporting, and legislative purposes in addition to operating tax and benefit quality control, benefit payment control, and integrity programs.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Estimated FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Initial Claims	67,807**	57,602	53,524	59,399	62,733	71,331
Weeks Claimed	564,383**	427,278	395,215	459,900	491,655	595,409
Non-monetary Determinations	28,041	25,063	24,045	24,672	26,257	31,119
Number of Registered Employers	34,711	35,189	36,051	36,959	37,891	38,846
Total Collections ***	N/A	\$84,525,343	\$87,962,975	\$92,330,000	\$94,509,000	\$95,573,000

** Initial Claims include 4,294 TEUCA payments (Temporary Extended Unemployment Compensation Act).

** Weeks Claimed include 42,158 of TEUCA (Temporary Extended Unemployment Compensation Act).

*** Total Collections include Contributions and Reimbursable charges, ESA, and penalties and interest.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	155.00	0.00	0.00	155.00	0.00	0.00	155.00
Personal Services	6,747,929	702,354	0	7,450,283	741,602	0	7,489,531
Operating Expenses	2,875,401	701,639	0	3,577,040	723,050	0	3,598,451
Equipment	6,400	0	0	6,400	0	0	6,400
Debt Service	3,775	0	0	3,775	0	0	3,775
Total Costs	\$9,633,505	\$1,403,993	\$0	\$11,037,498	\$1,464,652	\$0	\$11,098,157
State/Other Special	700,342	19,882	905,571	1,625,795	40,889	2,300,000	3,041,231
Federal Special	8,933,163	1,384,111	(905,571)	9,411,703	1,423,763	(2,300,000)	8,056,926
Total Funds	\$9,633,505	\$1,403,993	\$0	\$11,037,498	\$1,464,652	\$0	\$11,098,157

Department Of Labor & Industry-6602 **Unemployment Insurance Divisio-02**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$431,000	\$0
FY 2009	\$437,000	\$0

PL- 20001 - UI Operating Increases -

This request for \$431,000 in FY 2008 and \$437,000 in FY 2009, is to support increases in operating costs such as training, indirect costs, and rent for the division. The funding for this request is federal special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$400,000	\$0
FY 2009	\$400,000	\$0

PL- 20003 - UI Penalty Mail -

This is a request of \$800,000 over the biennium for postal costs in federal special revenue. The U.S. Department of Labor will no longer directly reimburse the U.S. Postal Service directly for postage costs but rather allocate the cost through the division's federal funds allocation.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

NP- 20002 - UI Funding Switch -

This request is to switch funding from federal special revenue, which has been declining, to state special revenue. Funding is contingent upon legislation that would increase the Administrative Fund tax and reduce Unemployment Insurance contribution rates thereby neutralizing impacts to most taxpayer classifications. An increase of \$905,571 in FY 2008 and \$2,300,000 in FY 2009 for state special revenue would be required with reductions of like amounts in federal special revenue in each year of the biennium.

Language Recommendations – The UI Funding Switch decision package is contingent on the passage and approval of LC0557.

Department Of Labor & Industry-6602

Commissioner's Office/CSD-03

Please note that this program also contains proprietary funds (see section P).

Program Description - The Commissioner's Office and the Centralized Services Division provide program direction, legal, administration, and support services to the department's five bureaus and two administratively attached entities.

Program Indicators –

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Cases Processed	1,539	1,440	1,286	1,312	1,409	1,505

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	20.50	(2.00)	0.00	18.50	(2.00)	0.00	18.50
Personal Services	1,209,950	6,717	0	1,216,667	13,014	0	1,229,681
Operating Expenses	262,826	17,687	0	280,513	27,943	0	290,769
Total Costs	\$1,472,776	\$24,404	\$0	\$1,497,180	\$40,957	\$0	\$1,513,733
General Fund	199,224	52,084	0	251,308	54,738	0	253,962
State/Other Special	760,845	(74,641)	0	686,204	(65,280)	0	695,565
Federal Special	442,143	33,998	0	476,141	35,927	0	478,070
Proprietary	70,564	12,963	0	83,527	15,572	0	86,136
Total Funds	\$1,472,776	\$24,404	\$0	\$1,497,180	\$40,957	\$0	\$1,513,733

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$41,164	\$5,244
FY 2009	\$46,315	\$5,880

PL- 30001 - CSD Operating Increase -

This budget request for \$41,164 in FY 2008 and \$46,315 in FY 2009, is for indirect costs to support the Centralized Services Division. The funding sources for this request include general fund, state special, and federal special revenues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$186,280)	\$0
FY 2009	(\$186,280)	\$0

PL- 30002 - CSD Funding Switch -

This budget request of \$186,280 in FY 2008 and FY 2009 switches funding for 2.00 FTE from state special revenue to proprietary funds.

Department Of Labor & Industry-6602

Employment Relations Division-04

Please note that this program also contains proprietary funds (see section P)

Program Description - The Employment Relations Division (ERD) provides five service areas: 1) Workers' Compensation (WC) Regulation Bureau, which regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions; 2) WC Claims Assistance Bureau, which assists organizations and individuals to arrive at early, less expensive settlements of their disputes, and provides management information on the workers' compensation system; 3) Labor Standards Bureau (and administratively attached Board of Personnel Appeals), which enforces state and federal labor laws related to the payment of wages, and provides collective bargaining mediation; 4) Occupational Health and Safety Bureau, which administers federal and state industrial safety laws; and 5) Human Rights Bureau (and administratively attached Human Rights Commission), which enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Safety and Mine Inspections	863*	736	841	795	800	825
Wage & Hour Cases Filed	1,068	999	970	1,050	1,020	1,020
Human Rights Cases	562	449	469	489	511	533
Workers' Compensation Claims	32,443	32,164	29,751	32,000	32,000	32,000
**Independent Contractor Exemption Applications	5,372	7,578	10,254	10,000	10,000	10,000

*The number of safety inspections for FY2004 was exceptionally high for a variety of reasons and should not be used as a baseline for future estimates.

**Previous biennium program indicators have reported 3 year totals for independent contractors exemptions. This report captures only a single fiscal years applications.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	123.10	0.00	2.00	125.10	0.00	2.00	125.10
Personal Services	6,093,549	558,709	100,178	6,752,436	590,289	100,392	6,784,230
Operating Expenses	3,409,866	159,429	48,019	3,617,314	177,184	45,156	3,632,206
Equipment	79,590	0	0	79,590	0	0	79,590
Benefits & Claims	135,586	0	0	135,586	0	0	135,586
Total Costs	\$9,718,591	\$718,138	\$148,197	\$10,584,926	\$767,473	\$145,548	\$10,631,612
General Fund	872,547	193,675	0	1,066,222	199,521	0	1,072,068
State/Other Special	8,069,917	551,196	148,197	8,769,310	589,287	145,548	8,804,752
Federal Special	776,127	(26,733)	0	749,394	(21,335)	0	754,792
Total Funds	\$9,718,591	\$718,138	\$148,197	\$10,584,926	\$767,473	\$145,548	\$10,631,612

Department Of Labor & Industry-6602
Employment Relations Division-04

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$173,600	\$27,300
FY 2009	\$180,100	\$28,100

PL- 40001 - ERD Operating Increases -

The budget includes operating increases for rent, indirect costs, and per diem for two attached boards of \$353,700 for the biennium which consists of state special revenue, federal special revenue and \$55,400 in general fund.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$148,197	\$0
FY 2009	\$145,548	\$0

NP- 40002 - Mine Inspection Reinstatement -

The budget request is for \$148,197 in FY 2008 and \$145,548 in FY 2009 of state special revenue. Legislation for this decision package would reinstate the department's authority to inspect metal and non-metal mines and funding will support 2.00 FTE and operating costs to carryout the inspections. The FTE will identify current and potential hazards for a safer work environment.

Language Recommendations - The Mine Inspection Reinstatement decision package is contingent on the passage and approval of LC0501.

Department Of Labor & Industry-6602

Business Standards Division-05

Please note that this program also contains proprietary funds (see section P).

Program Description - The Business Standards Division consists of three bureaus: Bureau of Building & Measurement Standards (BBSM), Health Care Licensing Bureau (HCLB), and Business & Occupational Licensing Bureau (BOLB). The BBSM establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator and boiler codes for use throughout Montana, including factory built buildings, and approves and certifies local government code enforcement programs to utilize codes adopted by the bureau and also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance. The BBMS is also responsible for licensing, inspecting, testing and certifying all weighing and measuring devices used in making commercial transactions in the Montana and enforces laws and regulations pertaining to the quantity control of prepackaged goods, the quality control of petroleum products and is responsible for maintaining the state standards of mass and volume applied when calibrating other mass and volume standards used in testing commercial devices. The HCLB provides administrative, clerical and compliance support for 20 licensing boards and 1 program that license professionals and individuals working in the health care field. The licensing boards and program in HCLB include 130 board members and 6 advisory counsel members appointed by the Governor. The BOLB provides administrative, clerical and compliance support for 13 licensing boards and 6 licensing programs that license professionals and individuals working in non-health-care-related professions and occupations. The licensing boards in BOLB include 84 board members appointed by the Governor.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Plumbing:						
Permits	4259	4300	4750	4750	4750	4750
Inspections	14017	16100	16650	1650	16650	16650
MECHANICAL:						
Permits	729	730	805	805	805	805
Inspections	2410	2500	2638	2638	2638	2638
ELECTRICAL:						
Permits	13980	15136	14515	14515	14515	14515
Inspections	24052	27838	29530	29530	29530	29530
BOILERS:						
Total Inspections	5659	6399	6810	6810	6810	6810
State	2788	3113	3423	3423	3423	3423
Insurance	2901	3286	3387	3387	3387	3387
Total Certifications	5325	6213	6203	6203	6203	6203
ELEVATORS:						
Inspections	1601	1752	1876	1980	1980	1980
Certificates	1752	1972	1924	2040	2040	2040
BUILDINGS:						
Permits	1063	1187	1114	1100	1100	1100
Inspections	11281	10660	10452	11200	11200	11200

Department Of Labor & Industry-6602

Business Standards Division-05

WEIGHTS & MEASURES BUREAU:						
Scales Licensed	7025	7088	7091	7100	7100	7100
Scales – Tested, Inspected, Certified	6069	5714	6644	6600	6600	6600
Pumps & Meters Licensed	14742	14840	14915	14950	14950	14950
Pumps – Tested, Inspected, Certified	11665	13381	14355	14400	14400	14400
LPG Meters Licensed	578	586	589	590	590	590
LPG Meters – Tested, Inspected, Certified	441	*594	545	545	545	545
Packages Tested, Inspected	450	277	376	500	500	500
Octane Tested	3	35	75	75	75	75
HEALTHCARE LICENSING BUREAU:						
Applications Processed	3208	4286	5295	5295	5295	5295
Applicants Examined	2007	2000	1680	1680	1680	1680
New Licenses Issued	3262	3368	3910	3910	3910	3910
Licenses Renewed***	23220	35187	32423	37200	23400	37200
Total Licenses	39579	40046	40308	40500	40500	40500
New Complaints Processed	576	606	492	550	550	550
Investigations Completed	111	87	44	44	44	44
Inspections Completed	1108	1150	1278	1278	1278	1278
Public Meetings Conducted	220	217	217	217	217	217
Closed Complaints	479	587	260	560	560	560
BUSINESS & OCCUPATIONAL LICENSING BUREAU:						
Applications Processed	5793	6074	6322	6480	6640	6640
Applicants Examined	2221	2439	2635	2700	2760	2760
New Licenses Issued	7526	7945	8011	8211	8400	8400
Licenses Renewed****	34104	26120	35795	32000	37000	35000
Total Licenses	48466	52181	51875	53100	54000	54000
New Complaints Processed	368	610	529	540	555	555
Investigations Completed	69	85	118	120	125	125
Inspections Completed	3515	38000	4985	5000	5500	5500
Public Meetings Conducted	123	164	218	210	210	210
Closed Complaints	442	516	626	625	625	625

*Unable to attain due to limited funding – these tests are least essential of our duties.

**Exceeds 100% due to retest of meters

***Beginning in FY 03 the Board of Nursing implemented a two-year renewal cycle.

****Three boards have a biennial renewal process and one board has a triennial renewal process.

Department Of Labor & Industry-6602

Business Standards Division-05

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	112.03	0.00	3.50	115.53	0.00	3.50	115.53
Personal Services	5,265,475	591,902	144,093	6,001,470	621,117	144,383	6,030,975
Operating Expenses	6,289,396	1,204,917	28,342	7,522,655	1,249,286	26,672	7,565,354
Equipment	266,196	89,000	14,700	369,896	90,000	14,700	370,896
Grants	21,001	0	0	21,001	0	0	21,001
Total Costs	\$11,842,068	\$1,885,819	\$187,135	\$13,915,022	\$1,960,403	\$185,755	\$13,988,226
State/Other Special	11,842,068	1,885,819	187,135	13,915,022	1,960,403	185,755	13,988,226
Proprietary	0	0	0	0	0	0	0
Total Funds	\$11,842,068	\$1,885,819	\$187,135	\$13,915,022	\$1,960,403	\$185,755	\$13,988,226

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$70,000	\$0
FY 2009	\$70,000	\$0

PL- 50005 - Legal Contingency Fund -

The Executive recommends \$70,000 state special revenue in each year of the biennium to restore the legal contingency fund for the various boards within the Business & Occupational Licensing and Health Care Licensing Bureaus.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$440,513	\$0
FY 2009	\$467,984	\$0

PL- 50006 - BOLB Operating Increases -

The budget includes an increase in state special revenue of \$440,513 in FY 2008 and \$467,984 in FY 2009 for board per diem, travel, indirect costs, and miscellaneous operating expenses in the Business & Occupational Licensing Bureau.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$287,376	\$0
FY 2009	\$230,527	\$0

PL- 50007 - Building Codes Operating Increases -

This request restores FY 2006 base level funding to cover various operating expenses that will be associated with a fully staffed inspection team. In addition, it will cover increases in rent, recharges and indirect costs, development of an Oracle portal, and fees charged for online permitting. The request is for \$287,376 in FY 2008 and \$230,527 in FY 2009 of state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$8,482)	\$0
FY 2009	(\$8,117)	\$0

PL- 50008 - BSD Admin Operating Increases -

This decision package is for adjustments in rent and indirect costs. The decrease is \$8,482 in FY 2008 and \$8,117 in FY 2009 of state special revenue.

**Department Of Labor & Industry-6602
Business Standards Division-05**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$544,812	\$0
FY 2009	\$613,701	\$0

PL- 50009 - HCLB Operating Increases -

Operating increases for this request are funded by state special revenue and are \$544,812 in FY 2008 and \$613,701 in FY 2009. Included are board member per diem, contracted services, supplies and materials, travel, rent, indirect costs, recharges, and other administrative operating expenses.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$122,262	\$0
FY 2009	\$124,852	\$0

PL- 50010 - Weights & Measures Operating Increase -

This request by the Weights and Measures Bureau restores FY 2006 base level funding for equipment purchases and increases for costs including rent, indirect costs, and recharges. Funding is state special revenue of \$122,262 in FY 2008 and \$124,852 in FY 2009.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,928	\$0
FY 2009	\$26,275	\$0

NP- 50001 - BOLB Additional FTE Education Specialist -

This budget request is for 0.50 FTE Education Specialist with the Board of Realty Regulation. Funding is \$27,928 in FY2008 and \$26,275 in FY2009 for state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$159,207	\$0
FY 2009	\$159,480	\$0

NP- 50003 - Building Codes FTE -

This request is for 3.00 FTE electrical inspectors in the Building Codes Bureau to meet the increased demands of electrical inspection workload. The budget includes \$159,207 in FY 2008 and \$159,480 in FY 2009 of state special revenue.

Department Of Labor & Industry-6602

Office Of Community Services-07

Program Description - The Office of Community Services provides administration for Corporation for National and Community Service programs (AmeriCorps), community service, and volunteer efforts statewide. The office was created by the 1993 Legislature at the request of the Governor in order to support community-based volunteer programs focused on addressing critical community needs. The vision of the office and its Commission on Community Service is to cultivate service as a lifelong "habit of the heart" for all citizens, and in particular, instill an ethic of community service in young Montanans. To that end, in the 2009 biennium, the office is committed to:

- Encouraging all Montana citizens to engage in service activities in their community; involving youth in the life and work of communities; and expanding service opportunities for all Montanans.
- Contracting with and monitoring grants to community organizations utilizing part-time and full-time volunteers in an effort to make a difference, as well as work with other partners from the Corporation for National Service, which includes primarily the Office of Public Instruction, the University of Montana Campus Compact, and the Corporation State Office.
- Coordinating and overseeing annual training and technical assistance activities for national service programs in Montana, through AmeriCorps*USA, National Senior Service Corps, and Learn & Serve America.

Program Indicators -

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
AmeriCorps members	249	300	271	535	535	535

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	177,469	24,202	0	201,671	24,791	0	202,260
Operating Expenses	145,026	148,990	50,000	344,016	150,691	0	295,717
Grants	2,599,113	20,917	0	2,620,030	20,917	0	2,620,030
Total Costs	\$2,921,608	\$194,109	\$50,000	\$3,165,717	\$196,399	\$0	\$3,118,007
General Fund	38,079	86,921	0	125,000	86,921	0	125,000
State/Other Special	0	75,000	50,000	125,000	75,000	0	75,000
Federal Special	2,883,529	32,188	0	2,915,717	34,478	0	2,918,007
Total Funds	\$2,921,608	\$194,109	\$50,000	\$3,165,717	\$196,399	\$0	\$3,118,007

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$86,922	\$86,922
FY 2009	\$86,922	\$86,922

PL- 70001 - Administration Costs -

The Executive recommends \$86,922 general fund in each year of the biennium to provide a required dollar for dollar match for a federal administrative grant of \$125,000 to manage the AmeriCorps program.

**Department Of Labor & Industry-6602
Office Of Community Services-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,000	\$0
FY 2009	\$75,000	\$0

PL- 70002 - Accounting Requirement -

This request for \$150,000 over the biennium is to establish a state special revenue fund within the Office of Community Service to appropriately account for various revenue sources in the office on the state's accounting system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,771	\$1,156
FY 2009	\$6,495	\$1,156

PL- 70003 - Operating Increase -

This request is for increases to indirect costs of \$5,771 in FY 2008 and \$6,495 in FY 2009 and is funded with general fund and federal special revenue.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$50,000	\$0
FY 2009	\$0	\$0

NP- 70004 – Conference on Race (Bien) -

This request establishes a \$50,000 biennial appropriation of state special revenue for conference registration fees and donations collected for the Montana Conference on Race.

Department Of Labor & Industry-6602

Workers Compensation Court-09

Program Description - The Workers' Compensation Court provides a forum for Montana employees, employers, and the insurance industry to resolve disputes arising from work-related injuries and occupational disease. The Court is attached to the department for administrative purposes only.

Program Indicators -

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Petitions Filed	261	278	324	324	350	350
Trials	68	82	41	80	80	80
Settlement Conferences	51	71	51	70	0	0

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	428,850	(16,956)	0	411,894	(15,360)	0	413,490
Operating Expenses	142,619	56,369	0	198,988	60,627	0	203,246
Total Costs	\$571,469	\$39,413	\$0	\$610,882	\$45,267	\$0	\$616,736
State/Other Special	571,469	39,413	0	610,882	45,267	0	616,736
Total Funds	\$571,469	\$39,413	\$0	\$610,882	\$45,267	\$0	\$616,736

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,072	\$0
FY 2009	\$58,413	\$0

PL- 90001 - WCC Operating Increase -

The Executive recommends state special revenue funding for increases in rent, indirect costs, travel, and contracted services of \$55,072 in FY 2008 and \$58,413 in FY 2009.

Dept Of Military Affairs-6701

Mission Statement - To provide for safety and well being for citizens of Montana through mission-ready forces, for federal and state activations, emergency services as directed by the Governor, and services to Montana Veterans.

Statutory Authority - Article I, U.S. Constitution; Article VI, Section 13, Montana Constitution; Title 10, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	172.90	0.25	9.00	182.15	0.25	9.00	182.15
Personal Services	7,759,437	1,142,037	386,136	9,287,610	1,185,715	386,367	9,331,519
Operating Expenses	8,579,425	8,157,196	364,031	17,100,652	8,240,031	347,956	17,167,412
Equipment	207,305	100,000	37,000	344,305	100,000	0	307,305
Grants	937,260	210,000	265,000	1,412,260	210,000	265,000	1,412,260
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$17,485,707	\$9,609,233	\$1,052,167	\$28,147,107	\$9,735,746	\$999,323	\$28,220,776
General Fund	4,662,368	293,930	398,702	5,355,000	301,202	345,739	5,309,309
State/Other Special	789,003	336,332	296,570	1,421,905	340,465	296,570	1,426,038
Federal Special	12,034,336	8,978,971	356,895	21,370,202	9,094,079	357,014	21,485,429
Total Funds	\$17,485,707	\$9,609,233	\$1,052,167	\$28,147,107	\$9,735,746	\$999,323	\$28,220,776

Dept Of Military Affairs-6701

Centralized Services Division-01

Program Description - The Centralized Services Division provides departmental administration through the Office of the Adjutant General and department-wide support for accounting, fiscal management, personnel, labor relations, and purchasing and property management oversight. The program operates in accordance with Title 2, Chapter 15, part 12 and Title 10, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.20	0.00	5.00	14.20	0.00	5.00	14.20
Personal Services	523,814	105,846	208,671	838,331	108,618	208,783	841,215
Operating Expenses	111,014	12,773	82,031	205,818	9,439	81,956	202,409
Equipment	0	0	25,000	25,000	0	0	0
Benefits & Claims	2,280	0	0	2,280	0	0	2,280
Total Costs	\$637,108	\$118,619	\$315,702	\$1,071,429	\$118,057	\$290,739	\$1,045,904
General Fund	445,431	68,966	65,702	580,099	67,392	40,739	553,562
State/Other Special	0	0	0	0	0	0	0
Federal Special	191,677	49,653	250,000	491,330	50,665	250,000	492,342
Total Funds	\$637,108	\$118,619	\$315,702	\$1,071,429	\$118,057	\$290,739	\$1,045,904

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$25,000	\$25,000
FY 2009	\$0	\$0

NP- 101 - Upgrade Department Server - OTO

This Executive request is for funding to update the department's server. This server supports all statewide information technology needs. If it crashes, there is no access to any of the state computer systems that are used on a daily basis to perform agency work. This server is also used to provide support to other state agencies in the event of a disaster or emergency. The current server was purchased in 2002. The approved ITSD replacement cycle for this equipment is every four years. By the time this server is replaced in 2008, it will have exceeded the approved cycle by two years.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$40,702	\$40,702
FY 2009	\$40,739	\$40,739

NP- 102 - Department Information Technology Officer -

The Executive is recommending 1.00 FTE needed to support the department's Information Technology needs. The department does not have a dedicated staff position to meet LAN administration, web site maintenance, and management requirements. These duties are being performed as additional duties by non-IT staff and the hours and expertise needed to complete these duties are exceeding the existing capabilities. This position will support planning, installation, and maintenance of computer work stations for 180 FTE, the department server, internet servers, and local and wide area networks.

**Dept Of Military Affairs-6701
Centralized Services Division-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$0
FY 2009	\$250,000	\$0

NP- 103 - Funding for National Guard STARBASE Program -

This request is for 100% federal spending authority to support the National Guard STARBASE Program. STARBASE is an academic outreach program for K-12 youth that incorporates a fast paced curriculum of hands-on activities, classroom experiments, and support from volunteer experts within the National Guard and the community.

Dept Of Military Affairs-6701 Challenge Program-02

Program Description - The Montana National Guard Youth ChalleNGe Program is a volunteer program for youth ages 16 to 18 who have stopped attending secondary school before graduating. ChalleNGe is a 17-month, voluntary two-phased military modeled training program targeting unemployed, drug-free, and crime-free high school dropouts. The program provides an opportunity for high school "at risk" youth to enhance their life skills, increase their educational levels, and their employment potential. Phase I of the program is a 22 week residential stay on the campus of Western Montana College of the University of Montana in Dillon focusing on physical training, classroom instruction, personal development, and life skills. Phase II is a year-long mentoring relationship with a specially-trained member of the community where the youth resides to provide a positive role model and to assist the student in gaining employment or enrolling in post-secondary schooling.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	47.40	0.25	0.00	47.65	0.25	0.00	47.65
Personal Services	1,708,699	199,884	0	1,908,583	205,772	0	1,914,471
Operating Expenses	1,119,889	66,800	0	1,186,689	61,354	0	1,181,243
Total Costs	\$2,828,588	\$266,684	\$0	\$3,095,272	\$267,126	\$0	\$3,095,714
General Fund	1,131,462	81,631	0	1,213,093	85,223	0	1,216,685
Federal Special	1,697,126	185,053	0	1,882,179	181,903	0	1,879,029
Total Funds	\$2,828,588	\$266,684	\$0	\$3,095,272	\$267,126	\$0	\$3,095,714

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$8,915	\$3,566
FY 2009	\$8,953	\$3,581

PL- 203 - ChalleNGE Substitute Teachers -

This Executive request is to establish a permanent 0.25 FTE aggregate position and funding for the program's part-time substitute teachers. Currently these employees are accounted for in a temporary modified position. This request would provide the program with the permanent position and related funding, \$7,147 general fund and \$10,721 federal funds for the biennium, for this vital function.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$54,000	\$0
FY 2009	\$54,000	\$0

PL- 204 - Fed Spending Authority for ChalleNGe Travel and Special Projects -

This request is for \$54,000 of additional federal spending authority each year of the biennium for program employees to participate in required training classes set forth in the federal/state cooperative agreement and to complete special projects necessary to fulfill the program's mission. These federal funds do not require any state matching funds and are offered for essential job training of employees and necessary projects that benefit the program.

Dept Of Military Affairs-6701 Scholarship Program-03

Program Description - The Montana National Guard Scholarship Program provides scholarships of up to \$500 per semester to eligible Montana National Guard personnel enrolled as undergraduate students in Montana colleges, universities, or training programs. The program assists Montana in recruiting and retaining personnel in both the Army and Air National Guard and in enhancing its operational readiness to assume both state and federal active duty missions. Scholarships also reward guard members for their service to the state by helping defray their educational costs at Montana post-secondary institutions.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	250,000	0	0	250,000	0	0	250,000
Total Costs	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000
General Fund	250,000	0	0	250,000	0	0	250,000
Total Funds	\$250,000	\$0	\$0	\$250,000	\$0	\$0	\$250,000

Dept Of Military Affairs-6701 Army National Guard Pgm-12

Program Description - The Army National Guard until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides funding for facilities management, environmental, and communications support to the organization by: 1) providing professional and skilled personnel for the administration, planning, and execution of statewide repair and maintenance functions on facilities and training areas; 2) planning, programming and contracting for construction; 3) ensuring all activities and facilities comply with environmental regulations; and 4) providing state-wide communication services, security contracts, and leases for buildings and land used by the Army National Guard. The program is mandated by the U.S. and Montana constitutions and Title 10, Chapters 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	37.30	0.00	1.00	38.30	0.00	1.00	38.30
Personal Services	1,804,265	269,337	51,521	2,125,123	277,016	51,570	2,132,851
Operating Expenses	5,273,661	6,314,288	12,000	11,599,949	6,355,037	12,000	11,640,698
Equipment	107,305	100,000	0	207,305	100,000	0	207,305
Total Costs	\$7,185,231	\$6,683,625	\$63,521	\$13,932,377	\$6,732,053	\$63,570	\$13,980,854
General Fund	1,199,610	(30,035)	0	1,169,575	(26,443)	0	1,173,167
State/Other Special	0	0	12,000	12,000	0	12,000	12,000
Federal Special	5,985,621	6,713,660	51,521	12,750,802	6,758,496	51,570	12,795,687
Total Funds	\$7,185,231	\$6,683,625	\$63,521	\$13,932,377	\$6,732,053	\$63,570	\$13,980,854

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$101,977	\$33,416
FY 2009	\$128,469	\$40,555

PL- 1201 - Operational Support for New ARNG Facilities -

The Army National Guard program is requesting additional funding to support operational costs not completely included in the base budget due to the fact that the facilities came on line during or after the base year. This funding will provide a basic level of janitorial services, utilities, ground maintenance, and code required inspections such as fire sprinkler and fire alarm inspections necessary to operate the facilities throughout the year. The biennial totals for the request are \$73,971 general fund and \$156,475 federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,275,082	\$0
FY 2009	\$3,275,082	\$0

PL- 1202 - Army Guard Funding & Authority for Maintenance -

The Executive requests the authority to expend \$3,275,082 per fiscal year of the 2009 biennium for continued maintenance and repair of this state's National Guard facilities. The federal government has provided increased funding of \$3,275,082 in FY 2006 and FY 2007 for this maintenance and repair. The Department of Military Affairs anticipates this level of funding will continue into FY 2008 & FY 2009. This authority is used for facilities at Fort Harrison, Helena Regional Airport, and Malmstrom AFB for a National Guard Armory only. This authority is also used for major repairs of Readiness Centers on state land. Currently the maintenance backlog is significant and this authority will allow the department to spend federal dollars to improve the condition of facilities used for the training of soldiers.

Dept Of Military Affairs-6701 Army National Guard Pgm-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$842,946	\$0
FY 2009	\$876,663	\$0

PL- 1203 - Federal Army Security Spending Authority -

The National Guard Bureau has changed the process of how security will be provided at Army National Guard installations. In the past, the majority of the security was provided with National Guard soldiers. With the change, all security will be provided by a civilian security service. This additional spending authority is needed to pay the security service contract. The department used both HB 2 and budget amendment authority in the base year to expend the federal funds. This request would appropriate all spending authority in HB 2.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,942,476	\$0
FY 2009	\$1,942,476	\$0

PL- 1205 - Federal Range & Training Spending Authority. -

The Department of Military Affairs requests authority to expend federal funds on range and training area equipment and intangible assets at Fort Harrison, Helena Limestone Hills near Townsend, WACO training area near Billings, and all 26 National Guard Armories. Expenditures include maintenance infrastructure to support weapons and training equipment including but not limited to: maintenance shop supplies, tools, minor equipment, and fire suppression equipment (fire trucks, ATV's, mowers; all used for range maintenance and vegetation control around fire lines and berms of each range). The federal government has provided increased funding of \$1,942,476 in FY 2006 and FY 2007 to support these training requirements. It is anticipated this level of funding will continue into FY 2008 & FY 2009.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$63,521	\$0
FY 2009	\$63,570	\$0

NP- 1204 - 100% Federally Funded Communications Specialist -

The Department Of Military Affairs is requesting a 100% federally funded 1.00 FTE position as well as state special revenue spending authority to provide for two way interactive video conferencing. The incumbent is responsible for the testing, trouble shooting, problem resolution, and quality assurance of all interactive video conferences. The Montana National Guard has established a two way interactive military conferencing network that is also available for use by state agencies, local governments, and other authorized groups. The department has a state special revenue fund to allow the network to accept funds for shared use. These funds will be used to replace equipment during life cycle management.

Dept Of Military Affairs-6701 Air National Guard Pgm-13

Program Description - The Air National Guard, until federalized, is a state military organization which provides trained and equipped military units for use in the event of a state or national emergency. The federal/state cooperative agreement provides for administrative, facilities maintenance, security, and fire protection support to the Air National Guard base at Gore Hill near Great Falls. The Air National Guard program operates under both federal and state mandates in accordance with its dual missions and is mandated by the United States and Montana Constitutions and Title 10, Chapter 1-3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	33.00	0.00	1.00	34.00	0.00	1.00	34.00
Personal Services	1,697,251	240,312	55,374	1,992,937	258,395	55,444	2,011,090
Operating Expenses	1,317,069	1,614,768	0	2,931,837	1,677,610	0	2,994,679
Total Costs	\$3,014,320	\$1,855,080	\$55,374	\$4,924,774	\$1,936,005	\$55,444	\$5,005,769
General Fund	308,370	66,831	0	375,201	70,169	0	378,539
Federal Special	2,705,950	1,788,249	55,374	4,549,573	1,865,836	55,444	4,627,230
Total Funds	\$3,014,320	\$1,855,080	\$55,374	\$4,924,774	\$1,936,005	\$55,444	\$5,005,769

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$74,323	\$18,581
FY 2009	\$81,522	\$20,380

PL- 1301 - Utility Funding for New ANG Facilities -

The Executive is requesting \$38,961 general fund match and \$116,884 in federal spending authority for the 2009 biennium. The increased costs come from new mission required buildings at the Montana Air National Guard, added square footage in Explosive Ordinance, Security, Munitions Maint., Headquarters, Deployment Processing, Weapons Release, and Aircraft Ground Equipment areas. There will also be footage added for Squadron Operations. All new building construction is 100% federally funded. Utilities are funded 75% federal and 25 % general fund. These expenses are required to support the operations of the new F-15 fighter aircraft conversion authorized through the BRAC.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$298,786	\$0
FY 2009	\$308,451	\$0

PL- 1304 - Federal Spending Authority for Fire Fighter OT -

This request is to provide 100% federal spending authority for the overtime salary and benefit costs incurred by the Air National Guard fire fighters in Great Falls. Overtime costs are zero based and are not carried forward in the agencies base budget. The Department of Military Affairs requests \$298,786 in FY 2008 and \$308,451 in FY 2009.

**Dept Of Military Affairs-6701
Air National Guard Pgm-13**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,436,367	\$0
FY 2009	\$1,488,258	\$0

PL- 1305 - Federal Spending authority for ANG Security -

In the past, the installation security for the Air National Guard was provided with National Guard members. The National Guard Bureau has changed this process and all future security will be provided by a civilian security service. The Executive is requesting additional federal spending authority to pay the security service contract that provides 24/7 security of aircraft and facilities at the 120th Fighter Wing in Great Falls. This request is for 100% federal special spending authority of \$1,436,367 in FY 2008 and \$1,488,258 in FY 2009.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,374	\$0
FY 2009	\$55,444	\$0

NP- 1303 - Federal Authority for ANG Budget Management -

The Department of Military Affairs has been granted by the National Guard Bureau 100% federal funding for an additional 1.00 FTE financial management position. This has been done in response to the increase in complexity of federal funding streams and federal financial reporting requirements and compliance. The estimated cost of this request is approximately \$55,400 per year.

Dept Of Military Affairs-6701 Disaster & Emergency Services-21

Program Description - The Disaster and Emergency Services Division duties and responsibilities are provided for under Title 10, Chapter 3, MCA. The division is responsible for the coordination, development and implementation of emergency management planning, mitigation, response, and recovery statewide. This responsibility includes the administration and disbursement of federal Homeland Security and Emergency Management funds to eligible political subdivisions and tribal nations across the state. The division maintains a 24 hour-a-day point of contact to coordinate the volunteer, state, and federal response for assistance to political subdivisions and tribal nations in the event of a incident, emergency, or disaster.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	23.00	0.00	0.00	23.00	0.00	0.00	23.00
Personal Services	1,009,282	273,243	1,000	1,283,525	277,687	1,000	1,287,969
Operating Expenses	215,642	129,950	55,000	400,592	120,478	39,000	375,120
Equipment	0	0	12,000	12,000	0	0	0
Grants	937,260	210,000	265,000	1,412,260	210,000	265,000	1,412,260
Total Costs	\$2,162,184	\$613,193	\$333,000	\$3,108,377	\$608,165	\$305,000	\$3,075,349
General Fund	644,806	99,845	333,000	1,077,651	99,994	305,000	1,049,800
State/Other Special	63,416	270,992	0	334,408	270,992	0	334,408
Federal Special	1,453,962	242,356	0	1,696,318	237,179	0	1,691,141
Total Funds	\$2,162,184	\$613,193	\$333,000	\$3,108,377	\$608,165	\$305,000	\$3,075,349

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$120,000	\$0
FY 2009	\$120,000	\$0

PL- 2107 - State Special Authority for DES -

The Executive requests an increase in state spending authority of \$120,000 per year to provide necessary reimbursements through the Emergency Management Assistance Compact and account for expenditures at the annual Governor's Emergency Preparedness Summit.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$200,000	\$0
FY 2009	\$200,000	\$0

PL- 2108 - State Special Authority for Search & Rescue -

The Department of Military Affairs is requesting \$200,000 per year. of state special revenue authority. The Disaster and Emergency Services program (DES) is responsible for implementing 10-3-801, MCA, which reimburses county sheriffs for expenses related to search and rescue missions, training, and equipment. Currently there are two revenue sources for this initiative established under 87-1-601, MCA, through Fish Wildlife and Parks and 15-1-122(3)(g), MCA, through vehicle licensing fees. State special revenue spending authority is necessary for DES to carry out its duties and reimburse sheriffs for eligible costs.

Dept Of Military Affairs-6701 Disaster & Emergency Services-21

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$15,000	\$15,000
FY 2009	\$15,000	\$15,000

NP- 2104 - Operating Expenses for Incident Command Vehicle -

Homeland Security Grants provided the funds for the purchase of a deployable State of Montana incident command vehicle to be used to respond to emergencies and incidents across the state. The unit is an extension of the State Emergency Coordination Center (SECC) and will be used to augment command and control needs at the state, local, and tribal level. The vehicle serves as an alternate command post during interruption of state services and can be used as a secondary SECC to support and coordinate state response for emergencies. General fund of \$15,000 per year is needed to cover fixed expenses, such as insurance and satellite phone/data service, repair, and maintenance and operational deployments for training and exercise purposes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$16,000	\$16,000
FY 2009	\$0	\$0

NP- 2105 - Upgrade SECC Computers -

This is an Executive request for \$16,000 general fund in FY 2008 for an upgrade to the State Emergency Coordination Center (SECC) computers. The SECC has twenty computer work stations which personnel use to support operational planning and management of the state emergency response. These stations are necessary to support Disaster & Emergency Services (DES) emergency management functions and are used by other state, private, and volunteer agencies in providing assistance during statewide, local or tribal incidents, emergencies, or disasters.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$12,000	\$12,000
FY 2009	\$0	\$0

NP- 2106 - Upgrade GIS Hardware and Software OTO -

This one-time-only request by the Department of Military Affairs is for \$12,000 in FY 2008 to provide for upgraded Geographical Information System (GIS) equipment. GIS information is critical for evacuation planning and emergency response. The state standard for replacement of computer hardware is based on a four-year life cycle. The current hardware for running GIS software is six years old. The ability to run the software and manipulate the increased volumes of data to produce accurate and timely products requires updated hardware.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$290,000	\$290,000
FY 2009	\$290,000	\$290,000

NP- 2109 - Funding for Sustainment of Regional HazMat Teams -

This Executive Branch request is for general fund of \$290,000 in each year of the biennium which will be passed thru the department and divided among each of the six regional state HazMat teams. It is a priority of the Governor to provide initial response and protection for the health, safety, and welfare of Montana citizens in the event of a Hazardous Materials incident. This funding request will be used to sustain the interoperability efforts of the six regional teams, coordinate response with entities outside their local government jurisdiction, and for the maintenance and update of assigned state equipment used in hazardous materials response. The Department of Military Affairs will retain \$25,000 of this funding to support basic individual training for local responders in WMD/HazMat awareness, decontamination, and HazMat incident command.

Dept Of Military Affairs-6701 Veterans Affairs Program-31

Program Description - The Veterans Affairs Division assists discharged veterans and their families, cooperates with state and federal agencies, promotes the general welfare of veterans, and provides information on veterans' benefits. The program also administers the veterans' cemeteries located at Miles City and at Fort Harrison, in Helena. The Board of Veterans' Affairs is administratively attached to the Department of Military Affairs, and operates under a state mandate provided in Title 10, Chapter 2, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	23.00	0.00	2.00	25.00	0.00	2.00	25.00
Personal Services	1,016,126	53,415	69,570	1,139,111	58,227	69,570	1,143,923
Operating Expenses	292,150	18,617	215,000	525,767	16,113	215,000	523,263
Equipment	100,000	0	0	100,000	0	0	100,000
Total Costs	\$1,408,276	\$72,032	\$284,570	\$1,764,878	\$74,340	\$284,570	\$1,767,186
General Fund	682,689	6,692	0	689,381	4,867	0	687,556
State/Other Special	725,587	65,340	284,570	1,075,497	69,473	284,570	1,079,630
Federal Special	0	0	0	0	0	0	0
Total Funds	\$1,408,276	\$72,032	\$284,570	\$1,764,878	\$74,340	\$284,570	\$1,767,186

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$215,000	\$0
FY 2009	\$215,000	\$0

NP- 3101 - VA Cemetery State Special Spending Authority -

The Department of Military Affairs is requesting \$215,000 a year in state special revenue to fund increased activities at the state veteran's cemeteries. The Montana Veterans Affairs Division uses state special revenue accounts to operate, maintain, and administer the Montana State Veterans Cemeteries located in Helena and Miles City. These funds would be used to accomplish unanticipated maintenance and repair to state veteran's cemeteries' facilities and grounds and purchase or repair state veterans cemeteries' equipment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$69,570	\$0
FY 2009	\$69,570	\$0

NP- 3102 - State Special Spending Authority for Native VSO -

The Veterans Affairs division is requesting state special spending authority for two additional veterans' service officer positions to be titled Native Veterans' Service Officers. The veterans' services special revenue account receives adequate revenue to accommodate the additional expenditures each year. This request is for \$69,570 per fiscal year.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION E: EDUCATION

Office of Public Instruction
Board of Public Education
School for the Deaf & Blind
Montana Arts Council
Montana State Library
Montana Historical Society

Commissioner of Higher Education
Montana University System (MUS)
Educational Units
Community Colleges
Bureau of Mines & Geology
Agricultural Experiment Station
Cooperative Extension Service
Forestry Experiment Station
Fire Services Training School

OBPP Staff:

Nancy Hall
Mark Bruno

x 4899
x 4588



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Office Of Public Instruction-3501

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve.

Statutory Authority - Title 20, MCA

Language - "The Office of Public Instruction may distribute funds from the appropriation for instate treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

"All revenue up to \$1.1 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5."

"All appropriations for federal special revenue programs in state level activities and in local education activities, and all general fund appropriations in local educational activities are biennial."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	135.23	10.13	12.00	157.36	10.13	12.00	157.36
Personal Services	7,095,501	1,386,890	671,367	9,153,758	1,422,298	671,967	9,189,766
Operating Expenses	9,367,657	1,261,750	2,492,919	13,122,326	1,357,378	2,182,695	12,907,730
Equipment	42,023	10,000	160,000	212,023	10,000	0	52,023
Local Assistance	526,527,149	71,558,970	27,478,438	625,564,557	82,794,761	30,911,405	640,233,315
Grants	133,713,635	6,094,609	250,000	140,058,244	11,958,267	250,000	145,921,902
Total Costs	\$676,745,965	\$80,312,219	\$31,052,724	\$788,110,908	\$97,542,704	\$34,016,067	\$808,304,736
General Fund	531,682,484	72,482,696	31,006,617	635,171,797	83,784,602	33,970,238	649,437,324
State/Other Special	970,495	9,519	0	980,014	9,770	0	980,265
Federal Special	144,092,986	7,820,004	46,107	151,959,097	13,748,332	45,829	157,887,147
Total Funds	\$676,745,965	\$80,312,219	\$31,052,724	\$788,110,908	\$97,542,704	\$34,016,067	808,304,736

Office Of Public Instruction-3501

State Level Activities-06

Please note that this program also contains proprietary funds (see section P).

Program Description - The State Level Activities program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing statutorily prescribed duties. The program: 1) supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board; 2) is responsible for the distribution and accounting of state and federal funds provided to school districts; 3) maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including: 1) curriculum assistance; 2) special education; 3) ESEA/NCLB administration; 4) secondary vocational education administration; and 5) other educational services.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Licensed Educator Staff (FTE) Employed by Public Schools and Special Education Cooperatives	11,985	11,925	12,027	12,050	12,050	12,050
Licensed Professional Staff (FTE) (Non-educators) Employed by Public Schools and Special Education Cooperatives	N/A	N/A	329	330	330	330
Instructional Paraprofessionals (FTE) Employed by Public Schools and Special Education Cooperatives	1,870	1,917	1,970	2,000	2,000	2,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	135.23	10.13	12.00	157.36	10.13	12.00	157.36
Personal Services	7,095,501	1,386,890	671,367	9,153,758	1,422,298	671,967	9,189,766
Operating Expenses	9,366,690	1,260,718	2,492,919	13,120,327	1,356,346	2,182,695	12,905,731
Equipment	42,023	10,000	160,000	212,023	10,000	0	52,023
Local Assistance	25,827	0	475,000	500,827	0	475,000	500,827
Grants	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Total Costs	\$16,530,041	\$2,657,608	\$3,799,286	\$22,986,935	\$2,788,644	\$3,329,662	\$22,648,347
General Fund	5,180,391	1,149,497	3,753,179	10,083,067	1,215,612	3,283,833	9,679,836
State/Other Special	220,495	9,519	0	230,014	9,770	0	230,265
Federal Special	11,129,155	1,498,592	46,107	12,673,854	1,563,262	45,829	12,738,246
Proprietary	0	0	0	0	0	0	0
Total Funds	\$16,530,041	\$2,657,608	\$3,799,286	\$22,986,935	\$2,788,644	\$3,329,662	\$22,648,347

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State Level Activities-06

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,500	\$27,500
FY 2009	\$42,500	\$42,500

PL- 19 - Statewide Student Assessment (NRT) -

Increased costs associated with the OPI contract for administration of a statewide norm-referenced test in grades 4, 8 and 11 are estimated to be \$27,500 in FY 2008 and \$42,500 in FY 2009. The statewide student assessment is required by the Administrative Rules of the Board of Public Education for the accreditation of schools. The Office of Public Instruction estimates that the cost of a new contract will be \$310,000 in FY 2008 and \$325,000 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$28,007	\$28,007
FY 2009	\$49,990	\$49,990

PL- 21 - Hearing Conservation Program -

Contracting for regional audiological evaluators for the hearing conservation program is estimated to cost an additional 3% or \$18,007 in FY 2008 and \$39,990 in FY 2009. Additionally, replacement and maintenance of equipment used to test hearing for K-12 school children across the state will cost \$10,000 in each year of the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$573,200	\$573,200
FY 2009	\$573,200	\$573,200

PL- 30 - Indian Education for All Reestablished -

Reestablishing the Indian Education for All in Program 06 - State Level Activities for OPI established as a biennial appropriation of \$1,155,423 in the 2007 biennium. The appropriation will continue at \$577,711 in each year of the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$865,012	\$0
FY 2009	\$901,966	\$0

PL- 31 - Federal Grant Award Adjustment - 06 -

This biennial appropriation is to adjust federal spending authority in OPI Program 06 - State Level Activities for grant awards currently administered by OPI due to normal increases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$865,012 in FY 2008 and \$901,966 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,046	\$0
FY 2009	\$4,052	\$0

PL- 34 - Traffic Education 0.125 FTE HB 0002 -

The Health Enhancement and Safety Division of OPI requests a state special spending authority increase of \$8,294 for the 2009 biennium and 0.125 FTE for increased administrative support for the traffic education program. This position is part of the Superintendent's staff to fulfill statutory requirements of M.C.A. Title 20, Chapter 7, Part 5, Traffic Education for Montana schools.

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State Level Activities-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$181,516	\$82,301
FY 2009	\$190,293	\$86,826

PL- 51 - Indirect Cost of Base Adjustments -

This biennial appropriation is to adjust federal spending authority in OPI Program 06 - State Level Activities for grant awards currently administered by OPI due to normal increases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$865,012 in FY 2008 and \$901,966 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,776	\$11,776
FY 2009	\$11,776	\$11,776

PL- 33002 - Gifted and Talented Staff Request -

Continuation of the operating expenses not in the base year for the 0.50 FTE gifted and talented specialist funded in FY 2007 by the 2005 legislature will cost \$11,776 each year of the biennium. This position assists school gifted and talented programs across the state.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,866,814	\$1,866,814
FY 2009	\$1,592,133	\$1,592,133

NP- 6 - K12 Education Data Systems -

This decision package provides continued funding for a K-12 education data system that was developed with one time only funding in the 2005 legislature. This data system will continue to improve data collections practices and data quality about K-12 students and be enhanced to include data on educators. Better data on students and staffing assists with better policy decision about student needs and will aid in meeting local, state and federal requirements. Continuation, enhancement, and expansion of the K-12 Education Data System will cost \$3.458 million in the 2009 biennium and provide 4.0 FTE to the Office of Public Instruction (OPI) for the operation and maintenance of the systems. The OPI will focus on the following:

- Enhancements of the existing e-grants system to include submission, review, and tracking of school district state and federal education grant applications. OPI will also incorporate the electronic grants management tool into the five year comprehensive education plan.
- Expansion will include data collection on school staffing to provide better information for decisions about recruitment and retention of highly qualified teachers in the 2009 biennium.
- This funding also provides \$3.25 per student enrolled in each district to help districts cover the cost of exchanging data between the district and the state data systems for an annual cost of \$475,000.
- The OPI and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom.

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State Level Activities-06

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$959,700	\$959,700
FY 2009	\$924,816	\$924,816

NP- 8 – Curriculum Specialist Support to Quality Schools -

The executive supports the State Superintendent's request for funding for curriculum specialists to support schools to provide a quality education to students at a biennial cost of \$1.885 million. These new 6.0 FTE will provide technical assistance to K-12 quality public schools in curricular areas such as science, mathematics, early childhood (kindergarten), communications arts (including reading, writing, listening, and speaking), library media, and high school curriculum/dropout prevention. The FTE will be charged to:

- Develop resources for teachers and administrators based on research-proven, best practices in curriculum and classroom instruction,
- Assist schools in working with teachers, parents and students in career and academic planning that meets each student's unique interests, needs and aptitudes,
- Assist schools with a smooth transition to full-time kindergarten and school readiness
- Improve teacher educator preparation programs within the Montana units of higher education,
- Determine the professional development needs of schools on a regional basis and assist in the delivery to school personnel,
- Provide research-based instructional strategies and training to teachers,
- Assist local schools long-range planning for improved student performance,
- Integrating Indian Education for All in curriculum,
- Assisting schools in developing educational experiences that promote increased graduation rates, improve attendance, and reduce dropout rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$160,000	\$160,000
FY 2009	\$0	\$0

NP- 16 - Storage Area Network (SAN) Replacement - OTO -

The OPI Storage Area Network (SAN) is a machine that houses the OPI servers that contain OPI's data and computer software. The SAN was purchased in 2004, will be obsolete in 2008, and will no longer be on a maintenance contract. The state's standard replacement period for this type of equipment is 4 years, and the equipment and software must be replaced in 2008. The cost is \$71,000 for SAN equipment, \$66,000 for SAN software, and \$23,000 for fiber switches. This results in a one-time cost of \$160,000 in the first year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$46,107	\$0
FY 2009	\$45,829	\$0

NP- 33 - School Support System Assistant (Federal) -

This request for \$46,107 in FY 2008 and \$45,829 in FY 2009 funds a 1.00 FTE administrative support position to assist the Title I Director and Accreditation Specialist in operating the federally required School Support System. The position will schedule and manage logistics for up to 50 school visitations per year that are necessary to comply with federal law.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$509,928	\$509,928
FY 2009	\$510,147	\$510,147

NP- 53 - Indian Education Programs -

The Executive requests continued funding of \$509,928 in FY 2008 and \$510,147 in FY 2009 for the Office of Public Instruction to assist quality schools with the unique needs of American Indian students and ensuring that Indian Education for All is imbedded in the classroom instruction. This request includes:

Office Of Public Instruction-3501 State Level Activities-06

- Add 1.0 FTE for an Indian Achievement Gap Analyst to gather data, analyze successful strategies, and provide technical assistance to improve Indian student achievement to coordinate with the Indian Achievement Gap component of the school funding formula.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$237,500	\$237,500
FY 2009	\$237,500	\$237,500

NP- 54 - Indian Ed for All Tribal History – Biennial OTO -

The Executive recommends funding to complete an effort started in the 2007 legislature to record Montana's tribal histories for K-12 students as part of Indian Education for All. The funds will be distributed as follows:

- \$200,000 is requested for the Little Shell Tribal Nation to write their history since they were not included in the 2007 legislature appropriation for the seven tribal colleges to detail tribal histories. These funds will be distributed to the Great Falls College of Technology who will work with the Little Shell Tribal Nation.
- \$25,000 is requested for each of the seven tribal colleges to coordinate with OPI for completion of the history project started in the 2007 biennium. These funds will be distributed through the OPI.
- \$100,000 is requested for OPI for oversight of the tribal history curriculum development and implementation for use by K-12.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$19,237	\$19,237
FY 2009	\$19,237	\$19,237

NP- 23002 - Surplus Computers for Schools -

This request for \$19,237 in each year of the biennium will pay a portion of the rent on the facility used by OPI to warehouse, process, and distribute surplus state computer equipment to school districts across the state under the Surplus Computer Program. The request also funds the lease of a small equipment van for hauling computers and monitors from donating state agencies in Helena to the facility. Each year, this highly successful program provides thousands of donated surplus computers to school districts.

Language Recommendations - "All appropriations for federal special revenue programs in state level activities and in local education activities, and all general fund appropriations in local educational activities are biennial."

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Local Education Activities-09

Program Description - The Local Education Activities program is used by OPI to distribute various state and federal funds to local education agencies.

Program Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
K-12 Public School Enrollment	148,356	146,705	145,259	144,000	143,251	142,432
Public Schools and State Funded Schools	859	852	840	832	832	832

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	967	1,032	0	1,999	1,032	0	1,999
Local Assistance	526,501,322	71,558,970	27,003,438	625,063,730	82,794,761	30,436,405	639,732,488
Grants	133,713,635	6,094,609	250,000	140,058,244	11,958,267	250,000	145,921,902
Transfers	0	0	0	0	0	0	0
Total Costs	\$660,215,924	\$77,654,611	\$27,253,438	\$765,123,973	\$94,754,060	\$30,686,405	\$785,656,689
General Fund	526,502,093	71,333,199	27,253,438	625,088,730	82,568,990	30,686,405	639,757,488
State/Other Special	750,000	0	0	750,000	0	0	750,000
Federal Special	132,963,831	6,321,412	0	139,285,243	12,185,070	0	145,148,901
Total Funds	\$660,215,924	\$77,654,611	\$27,253,438	\$765,123,973	\$94,754,060	\$30,686,405	\$785,656,389

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,737,109	\$14,737,109
FY 2009	\$25,339,728	\$25,339,728

PL- 3 – K-12 Base Aid -

This request is for funding for the K-12 BASE Aid Present Law Adjustment as defined by Section 20-9-326, MCA and adjusted for available Guarantee Fund revenue. It includes inflation on the basic and per-ANB entitlements and adjustments for changes in enrollment. The inflator for FY 2008 (calculated using CPI-Urban indexes for July 2002 and July 2005) is 2.76%. The inflator for FY 2009 (calculated using CPI-Urban indexes for July 2003 and July 2006) is 2.97%. ANB (number of students) are anticipated to decline 0.6%in FY 2008 and 0.7%in FY 2009. The resulting increases in state aid to district base budgets are \$14.7 million in FY 2008 and \$25.3 million in FY 2009.

Office Of Public Instruction-3501

Local Education Activities-09

Table E-1 Entitlements, enrollments, and State Aid					
	FY 2005 actual	FY 2006 actual	FY 2007 estimate	FY 2008 recommend	FY 2009 recommend
<u>Elementary entitlements</u>					
per district	\$ 19,859	\$ 20,275	\$ 20,718	\$ 21,290	\$ 21,922
per ANB (approx./student)	\$ 4,031	\$ 4,366	\$ 4,456	\$ 4,579	\$ 4,715
<u>High School entitlements</u>					
per district	\$ 220,646	\$ 225,273	\$ 230,199	\$ 236,552	\$ 243,578
per ANB (approx./student)	\$ 5,371	\$ 5,584	\$ 5,704	\$ 5,861	\$ 6,035
<u>Special Education Block Grant</u> (millions)	\$ 36.45	\$ 38.51	\$ 39.35	\$ 40.43	\$ 41.64
<u>Statewide figures</u>					
Average number belonging (ANB)	147,610	145,767	144,203	143,288	142,264
State aid district general fund (millions) (does not include HB 124 grants)	\$ 450.56	\$ 482.69	\$ 520.62	\$ 530.55	\$ 541.36
State aid/ANB district general fund	\$ 3,052	\$ 3,311	\$ 3,610	\$ 3,703	\$ 3,805

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$330,000	\$330,000
FY 2009	\$430,000	\$430,000

PL- 24 - Pupil Transportation Appropriation -

In the 2005 Special Session, SB 1 amended 20-10-142, MCA, to raise the individual pupil transportation contract mileage rate from \$0.25 to \$0.35 effective in FY 2007. This cost is not in the base. The amount requested is \$130,000, which matches the appropriation that was approved for FY 2007. Also requested is an increase for pupil transportation of \$200,000 in FY 2008 and \$300,000 in FY 2009 for increasing costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$766,141	\$766,141
FY 2009	\$1,153,584	\$1,153,584

PL- 25 - School Block Grants - HB 124 -

Present law (20-9-630 and 632, MCA) provides for an annual 0.76% increase in the county transportation and school district block grants. This is a biennial appropriation increase of \$766,141 in FY 2008 and \$1,153,584 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$336,000	\$336,000
FY 2009	\$336,000	\$336,000

PL- 26 - State Tuition Payments -

This request funds OPI's statutory obligation for tuition payments under 20-5-324, MCA, for students placed in a school district outside their district of residence by a state agency or court. The 2005 Legislature passed HB 83, which moved the responsibility for paying the state's tuition obligation from the county superintendents to the OPI starting in FY 2007. This request continues the appropriation at the 2007 level of \$336,000 per year.

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Local Education Activities-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$29,300	\$29,300
FY 2009	\$34,600	\$34,600

PL- 27 - School District Audit Filing Fee Increase -

This increase in general fund authority for school district audit filing fees of \$29,300 in FY 2008 and \$34,600 in FY 2009 will allow OPI to pay school district audit filing. Payment of this fee from the OPI to the Department of Administration is required by 2-7-514(2), MCA. This increase assumes school district revenues will increase 3.0% each year. This is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,009,992	\$1,009,992
FY 2009	\$1,020,500	\$1,020,500

PL- 28 - Special Education Increase to FY 2007 Level -

Maintenance of fiscal effort requirements under federal law specifies that a state may not decrease its support of special education programs from one year to the next. Failure to maintain fiscal effort will result in a reduction of federal funding equal to the decrease of state support. The state special education general fund base in FY 2006 was \$38,488,071. The state special education general fund appropriation in FY 2007 is \$39,348,289. This represents an increase over base of \$1,009,992 in FY 2008 and \$1,020,500 in FY 2009 which must be maintained to avoid loss of federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$131,039	\$131,039
FY 2009	\$131,039	\$131,039

PL- 29 - Biennial Appropriations -

This present law adjustment establishes biennial appropriations in each year at half of the amount appropriated for the 2007 biennium. The biennial appropriations include:

- Instate treatment - \$1,949,792 - adjusted \$116,857 each year
- Secondary Vo-ed - \$2,000,000 - no adjustment needed
- Adult Basic Ed - \$550,000 - adjusted \$3 each year
- Gifted and Talented - \$500,000 - adjusted \$14,179 each year
- School Foods - \$1,297,306 - no adjustment needed
- Indian Education for All - \$550,000 - see dp #38

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,321,412	\$0
FY 2009	\$12,185,070	\$0

PL- 32 - Federal Grant Award Adjustment -

This is an adjustment in federal spending authority for grant awards currently administered by the Office of Public Instruction. The adjustments in federal grant awards are due to normal increases in federal funding. These funds are distributed to school districts and other local education agencies. This is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$18,299,383	\$18,299,383
FY 2009	\$18,472,383	\$18,472,383

PL- 36 - Replace Guarantee Account - Interest & Income -

The anticipated reduction in guarantee fund revenues requires a like increase in general fund expenditures to fully fund school district BASE aid. The amount added to general fund BASE aid authority is \$18.3 million in FY 2008 and \$18.5 million in FY 2009.

Office Of Public Instruction-3501

Local Education Activities-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,934,188	\$35,934,188
FY 2009	\$35,891,109	\$35,891,109

PL- 37 - 2005 Special Session Funding -

The 2005 Special Session included four new components for K-12 schools distribution. The Per Educator, At Risk, Achievement Gap, and Indian Education components are not included in the FY 2006 base funding. The biennial cost of this package is \$71.82 million, \$35.93 million in FY 2008 and \$35.89 million in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$239,953)	(\$239,953)
FY 2009	(\$239,953)	(\$239,953)

PL- 38 - Indian Education For All-Biennial -

Reduce the "Ready to Go" grants to school districts from the FY 2007 biennium and replace as "Indian Education Programs" decision package in the state activities programs.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,720,000	\$11,720,000
FY 2009	\$13,448,700	\$13,448,700

NP- 1 - Full-Time Kindergarten -

The Executive recommends an increase in K-12 BASE aid for students enrolled in full-time kindergarten. This request is for \$25.2 million in the 2009 biennium to provide full-time ANB funding for kindergarten students enrolled in a full-time public school kindergarten programs. This proposal does not require schools to offer a full-time kindergarten program, but provides full-time funding for those districts that choose to provide it. Nationwide, 63% of kindergarteners attend full-time kindergarten programs. This proposal is included in the Governor's school funding bill.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,172,623	\$3,172,623
FY 2009	\$3,266,850	\$3,266,850

NP- 2 - District Retirement Fund -

The Superintendent of Public Instruction requests \$6.439 million for the 2009 biennium to allow school districts to access the district retirement fund for retirement benefits associated with school employee salaries paid with federal funds. The 2003 legislature changed the method for charging district retirement fund expenses by limiting charges to only those school employees who are paid from state or local funding sources, federal impact aid, or the district school food services fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,232,153	\$1,232,153
FY 2009	\$2,601,706	\$2,601,706

NP- 7 - Special Education -

This request is for \$3.834 million for the 2009 biennium to provide an inflationary increase in the state appropriation for special education based on the same inflationary adjustment included for basic and per ANB entitlements in DP 3, section 20-9-326, MCA. The inflator for FY 2008 (calculated using CPI-Urban indexes for July 2002 and July 2005) is 2.7%. The inflator for FY 2009 (calculated using CPI-Urban indexes for July 2003 and July 2006) is 2.97%. ANB (number of students) are anticipated to decline 0.6% in FY 2008 and 0.7% in FY 2009.

Office Of Public Instruction-3501

Local Education Activities-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

NP- 13 - Adult Basic and Literacy Education -

This proposal will increase the current adult basic and literacy education (ABLE) appropriation of \$275,000 per year in state general funds to \$525,000 per year in state general funds. Increasing the appropriation will allow 1) more funding to serve students in up to three additional sites located in underserved or un-served areas of the state, 2) additional resources to currently funded programs to increase the number of students served; and 3) to meet mandatory requirements. Additional funds will also provide local programs much needed resources to meet the demands of serving an increasing number of out of school youth.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,097,744	\$1,097,744
FY 2009	\$1,097,744	\$1,097,744

NP- 23 - School Facilities Reimbursement -

To promote safe school facilities and as a measure of taxpayer fairness, Montana has established a statutory formula for providing state payments to low property tax wealth school districts to assist with debt service payments on school bonds. The state school facility reimbursement expenditure in the base year was \$9,411,293 general fund. An increased need is projected therefore; \$1,097,744 is being added for each year of the 2009 biennium. This is a restricted biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,780,918	\$9,780,918
FY 2009	\$10,021,405	\$10,021,405

NP- 39 - Increase Quality Per Educator Component -

The Quality Per Educator Component was created by the legislature in the December 2005 special session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The budgeted quality per educator increase is \$790 raising the total per educator component to \$2790 in both years of the 2009 biennium. The biennial cost of this proposal is \$19.8 million. This proposal will be contained in the Governor's school funding bill.

Language Recommendations – "All revenue received in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5. This appropriation may not exceed \$1 million a year."

"The office of public instruction may distribute funds from the appropriation in item ____ (Instate Treatment) to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

Board Of Public Education-5101

Mission Statement - The Board of Public Education shall carry out its constitutional and statutory responsibility in an exemplary manner to exercise general supervision over the public school system and other such public educational institutions as may be assigned by law. In doing so, the board will cooperate with the Governor and other elected officials, the Board of Regents, Superintendent of Public Instruction, local school boards, the education community and all Montana citizens, including its students.

Statutory Authority - Article X, Section 9, Montana Constitution; 2-15-1507 and 2-15-1522, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	242,088	24,169	0	266,257	24,438	0	266,526
Operating Expenses	106,411	7,920	0	114,331	17,794	0	124,205
Total Costs	\$348,499	\$32,089	\$0	\$380,588	\$42,232	\$0	\$390,731
General Fund	167,682	43,034	0	210,716	48,128	0	215,810
State/Other Special	180,817	(10,945)	0	169,872	(5,896)	0	174,921
Total Funds	\$348,499	\$32,089	\$0	\$380,588	\$42,232	\$0	\$390,731

Board Of Public Education-5101 Administration-01

Program Description - The staff of the Administration Program provides administration, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	101,403	52,840	0	154,243	52,994	0	154,397
Operating Expenses	66,279	5,194	0	71,473	15,134	0	81,413
Total Costs	\$167,682	\$58,034	\$0	\$225,716	\$68,128	\$0	\$235,810
General Fund	167,682	43,034	0	210,716	48,128	0	215,810
State/Other Special	0	15,000	0	15,000	20,000	0	20,000
Total Funds	\$167,682	\$58,034	\$0	\$225,716	\$68,128	\$0	\$235,810

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,000	\$3,000
FY 2009	\$13,000	\$8,000

PL- 1 - Rent increase -

The Board of Public Education (BPE) is currently housed with the Commissioner of Higher Education (CHE) downtown Helena in the New York Building. The BPE may have to relocate to a new building, public or private sector, which may cost additional rent. The Office of the Commissioner of Higher Education reports that if the BPE moves into CHE space sometime in FY 2008, the BPE will need 1,000 square feet of space at \$22 per square foot, increasing the FY 2009 rent cost by \$13,000 over base FY 2006.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,134	\$1,134
FY 2009	\$1,134	\$1,134

PL- 2 - Present Law Per Diem -

The budget includes per diem reinstatement of \$1,134 each year of the biennium - \$2,268 for the biennium.

Board Of Public Education-5101

Advisory Council-03

Program Description - The seven-member Certification Standards and Practices Advisory Council (CSPAC) was created by the Legislature in 1987 to study and make recommendations to the Board of Public Education in the following areas: 1) teacher, administrator, and specialist certification standards; 2) the status and efficacy of approved teacher education programs; and 3) the feasibility of establishing teaching certification and the appeals process. The board staff provides administrative, research, and clerical duties to the council. The advisory council is created in 2-15-1522, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	140,685	(28,671)	0	112,014	(28,556)	0	112,129
Operating Expenses	40,132	2,726	0	42,858	2,660	0	42,792
Total Costs	\$180,817	(\$25,945)	\$0	\$154,872	(\$25,896)	\$0	\$154,921
State/Other Special	180,817	(25,945)	0	154,872	(25,896)	0	154,921
Total Funds	\$180,817	(\$25,945)	\$0	\$154,872	(\$25,896)	\$0	\$154,921

School For The Deaf & Blind-5113

Mission Statement - To provide to deaf children and blind children in the State of Montana a quality comprehensive education that will impart the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) to public schools in the state having deaf and/or blind children enrolled, and (3) to organizations and individuals concerned with the provision of services to these children.

Statutory Authority - Title 20, Chapter 8, part 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	84.03	0.00	4.58	88.61	0.00	4.58	88.61
Personal Services	4,223,764	198,465	498,979	4,921,208	211,332	550,461	4,985,557
Operating Expenses	833,711	56,553	62,362	952,626	22,016	55,919	911,646
Equipment	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Total Costs	\$5,057,475	\$255,018	\$561,341	\$5,873,834	\$233,348	\$606,380	\$5,897,203
General Fund	4,675,386	117,243	561,341	5,353,970	220,573	606,380	5,502,339
State/Other Special	281,148	137,953	0	419,101	12,953	0	294,101
Federal Special	100,941	(178)	0	100,763	(178)	0	100,763
Total Funds	\$5,057,475	\$255,018	\$561,341	\$5,873,834	\$233,348	\$606,380	\$5,897,203

School For The Deaf & Blind-5113

Administration Program-01

Program Description - The Administration Program staff provide purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	293,382	4,872	0	298,254	5,225	0	298,607
Operating Expenses	91,606	56,071	0	147,677	24,708	0	116,314
Total Costs	\$384,988	\$60,943	\$0	\$445,931	\$29,933	\$0	\$414,921
General Fund	384,549	59,222	0	443,771	28,212	0	412,761
State/Other Special	439	1,721	0	2,160	1,721	0	2,160
Total Funds	\$384,988	\$60,943	\$0	\$445,931	\$29,933	\$0	\$414,921

School For The Deaf & Blind-5113

General Services-02

Program Description - The General Services Program staff are responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	151,820	5,851	0	157,671	7,418	0	159,238
Operating Expenses	365,011	15,954	0	380,965	10,722	0	375,733
Total Costs	\$516,831	\$21,805	\$0	\$538,636	\$18,140	\$0	\$534,971
General Fund	516,831	21,805	0	538,636	18,140	0	534,971
Total Funds	\$516,831	\$21,805	\$0	\$538,636	\$18,140	\$0	\$534,971

School For The Deaf & Blind-5113

Student Services-03

Program Description - The Student Services Program provides residential care for children living at the school.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	1,034,738	99,404	7,669	1,141,811	107,098	7,823	1,149,659
Operating Expenses	109,843	2,079	0	111,922	2,888	0	112,731
Total Costs	\$1,144,581	\$101,483	\$7,669	\$1,253,733	\$109,986	\$7,823	\$1,262,390
General Fund	1,117,394	101,483	7,669	1,226,546	109,986	7,823	1,235,203
Federal Special	27,187	0	0	27,187	0	0	27,187
Total Funds	\$1,144,581	\$101,483	\$7,669	\$1,253,733	\$109,986	\$7,823	\$1,262,390

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,669	\$7,669
FY 2009	\$7,823	\$7,823

NP- 314 - Per Educator Component Increase -

The Quality Per Educator Component was created by the legislature in the December 2005 Special Session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 quality per educator in FY 2008 and FY 2009. Total cost for the School for the Deaf and Blind Student Services Program will be \$15,492 for the biennium.

School For The Deaf & Blind-5113 Education-04

Program Description - The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	45.29	0.00	4.58	49.87	0.00	4.58	49.87
Personal Services	2,743,824	88,338	491,310	3,323,472	91,591	542,638	3,378,053
Operating Expenses	267,251	(17,551)	62,362	312,062	(16,302)	55,919	306,868
Total Costs	\$3,011,075	\$70,787	\$553,672	\$3,635,534	\$75,289	\$598,557	\$3,684,921
General Fund	2,656,612	(65,267)	553,672	3,145,017	64,235	598,557	3,319,404
State/Other Special	280,709	136,232	0	416,941	11,232	0	291,941
Federal Special	73,754	(178)	0	73,576	(178)	0	73,576
Total Funds	\$3,011,075	\$70,787	\$553,672	\$3,635,534	\$75,289	\$598,557	\$3,684,921

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$26,243	\$26,243
FY 2009	\$26,243	\$26,243

PL- 1 - Extracurricular Compensation -

The school pays extracurricular compensation to employees who sponsor after school activities. Each year of the 2009 biennium will cost \$26,243 for salaries and benefits contained in a collective bargaining agreement with MEA/MFT. The school participates in volleyball, track, and boys and girls Class C basketball through a cooperative agreement with Great Falls Central Catholic High School.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,387	\$2,387
FY 2009	\$2,387	\$2,387

PL- 7 - Special Session 2005 - Indian Ed & Achievement Gap -

This decision package adds \$2,387 Present Law adjustment to the operating budget in each year for the Indian Education for All and Closing the Achievement Gap portion of the 2005 Special Session appropriation. The total appropriation of \$85,000 included \$82,613 for salaries which is budgeted in the Education Program personal services budget.

School For The Deaf & Blind-5113 Education-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,938	\$3,938
FY 2009	\$3,861	\$3,861

PL- 9 - Replace Motor Pool Lease Van -

The school is requesting a Motor Pool lease van to replace a school van that has high mileage. The van will be used to transport students to activities around the Great Falls area. Cost is \$5,325 in FY 2008 and \$5,248 in FY 2009. This decision package also reduces gasoline and maintenance costs for the lease van by \$1,387 in each year of the biennium. Total biennium cost of this proposal is \$7,799.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$48,542)	(\$48,542)
FY 2009	(\$48,542)	(\$48,542)

PL- 12 - HB 438 Initial Equipment Reduction -

HB 438 in the 2005 Regular Session allowed MSDB \$195,731 for outreach service and \$48,542 for equipment start-up costs. The equipment costs of \$48,542 are being reduced from the base year funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

PL- 21 - Indirect Costs Corrections -

Indirect costs for federal programs are being moved between expense line items from statewide indirect costs (62888) to indirect costs administrative (62827).

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$213,857	\$213,857
FY 2009	\$265,050	\$265,050

NP- 2 - Retention/Recruitment of Highly Qualified Staff -

This package provides market adjustments to licensed professional staff and interpreters with the purpose of assisting the school for the deaf and blind in recruiting and retaining these highly qualified staff. The adjustment in FY 2008 is \$213,857 and \$265,050 in FY 2009

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$227,663	\$227,663
FY 2009	\$221,509	\$221,509

NP- 3 - Expansion of Outreach Services -

The budget includes \$227,663 in FY 2008 and \$221,509 in FY 2009 for 3.08 FTE outreach consultants and operating expenses to provide consultation and technical assistance to local K-12 school districts that have sensory impaired children enrolled.

School For The Deaf & Blind-5113

Education-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$42,676	\$42,676
FY 2009	\$42,676	\$42,676

NP- 4 - Guidance Counselor -

The budget includes a guidance and counseling position to develop, coordinate, and implement an effective school counseling program to integrate and support the academic, vocational, social and behavioral development of the School's students. In the 2009 biennium this new 0.73 FTE position would cost \$42,676 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,418	\$56,418
FY 2009	\$56,418	\$56,418

NP- 6 - Educational Audiologist -

This proposal addresses the need for state-wide coordination of early identification and educationally based audiological intervention services for infants, toddlers and school age children who have been diagnosed with a hearing loss. The cost will be \$56,418 in each year of the 2009 biennium for 0.77 FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,058	\$13,058
FY 2009	\$12,904	\$12,904

NP- 414 - Per Educator Component Increase -

The Quality Per Educator Component was created by the legislature in the December 2005 Special Session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 quality per educator in FY 2008 and FY 2009. Total cost for the School for the Deaf and Blind Student Services Program will be \$25,962 for the biennium.

Montana Arts Council-5114

Promotion Of The Arts-01

Mission Statement - The Montana Arts Council is the agency of state government charged with promoting and expanding the significant role of arts and culture in our lives through a variety of grant and technical assistance programs, which benefit Montanans of all ages and cultures as current or future creators, participants or patrons of the arts.

Statutory Authority - 22-2-101-109, MCA.

Program Description - The Montana Arts Council (council) cooperates with public and private institutions engaged in artistic and cultural activities. The council cooperates with public and private institutions engaged in artistic and cultural activities. The council: 1) recommends appropriate methods to encourage participation in and appreciation of the arts; 2) fosters interest in the state's cultural heritage; 3) expands the state's cultural resources; and 4) encourages and assists freedom of artistic expression through ongoing programs and council initiated projects. The council administers the Cultural and Aesthetic Projects Advisory Committee authorized in 22-2-302, MCA. This committee reviews all proposals for cultural and aesthetic project grants and presents its recommendations to the legislature.

Language Recommendations- "All federal funds in [Montana Arts Council] are biennial appropriations."

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Stable grant funding to organizations	\$452,000	\$457,000	\$449,000	\$466,400	\$466,400	\$466,400
State of the Arts newsletter subscribers/users	8,115	7,000	9,100	9,555	10,033	10,534
Arts Education residencies/services— students/counties reached	23,102 students; 54 counties	29,307 students; 43 counties	32,540 students; 40 counties	33,000 students; 40 counties	33,000 students; 40 counties	33,000 students; 40 counties

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	443,615	37,516	0	481,131	38,150	0	481,765
Operating Expenses	262,606	42,824	83,920	389,350	21,119	10,000	293,725
Grants	449,188	0	10,000	459,188	0	12,500	461,688
Total Costs	\$1,155,409	\$80,340	\$93,920	\$1,329,669	\$59,269	\$22,500	\$1,237,178
General Fund	399,976	35,282	93,920	529,178	11,297	22,500	433,773
State/Other Special	185,091	15,299	0	200,390	16,967	0	202,058
Federal Special	570,342	29,759	0	600,101	31,005	0	601,347
Total Funds	\$1,155,409	\$80,340	\$93,920	\$1,329,669	\$59,269	\$22,500	\$1,237,178

Montana Arts Council-5114 **Promotion Of The Arts-01**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,100	\$9,382
FY 2009	\$19,108	\$5,532

PL- 5 - Rent Increase & Relocation Expenses -

Restricted - The Montana Arts Council, currently housed at the City-County Building, may have to move because the county needs the space. The rent increase for 2000 square feet of space at \$20 per square foot totals \$40,000. There is also a charge of \$300 per FTE moving expense and \$300 per jack for rewiring the space if needed (\$4200). The biennial increased cost for rent is \$41,208.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,837	\$2,772
FY 2009	\$5,562	\$2,397

PL- 51401 - Present Law Cost Adjustments -

The agency includes reinstating zero based per diem for FY 2008 (\$1,875) and FY 2009 (\$3,150). Council and advisory committee members attend a variety of meetings throughout the year. The Cultural and Aesthetics Advisory Committee meets only in the odd fiscal years in preparation for legislative session. Out-of-state-meals allowance increased in FY 2006 from \$28 to \$36 per day increasing the budget by \$584 in each year of the biennium. Projected readership of the State of the Arts newspaper will increase 5% so related production (\$1,639), printing (\$561) and mailing (\$903) costs are estimated at \$3,103 per year.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$10,000	\$10,000

NP- 1 - LAN Administration, Hosting, and Server Needs -

The budget includes \$10,000 in each year of the biennium for the Montana Arts Council to contract for information technology assistance for day-to-day computer assistance, standard software needs, LAN administration and LAN hosting of the Montana Arts Council.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$12,500	\$12,500

NP- 2 - Arts Education in K-12 Schools -

Arts education is not always available in Montana K-12 schools' curriculum. This decision package increases current funding provided to schools to integrate arts education into the curriculum through grants from the Montana Arts Council by \$10,000 in FY 2008 and \$12,500 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,920	\$73,920
FY 2009	\$0	\$0

NP- 8 - Database Re-Write - OTO -

One time only funding of \$73,920 (880 hours at \$84 per hour) in FY 2008 for a database re-write to create a new database using the SQL platform and the incorporation of enhancements to allow the Arts Council to better manage the data critical to their business. This will allow easy access to data to improve response to customers and reduce the time and effort to create reports.

Montana Library Commission-5115

Mission Statement - MSL meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

Statutory Authority - Title 22, Chapter 1, and Title 90, Chapter 15, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	29.50	1.00	0.00	30.50	1.00	0.00	30.50
Personal Services	1,607,749	56,570	0	1,664,319	62,512	0	1,670,261
Operating Expenses	1,451,875	82,509	120,000	1,654,384	108,417	120,000	1,680,292
Equipment	47,398	5,936	0	53,334	9,286	0	56,684
Grants	531,041	1,055,682	15,000	1,601,723	330,682	15,000	876,723
Total Costs	\$3,638,063	\$1,200,697	\$135,000	\$4,973,760	\$510,897	\$135,000	\$4,283,960
General Fund	1,671,787	533,391	0	2,205,178	567,291	0	2,239,078
State/Other Special	1,081,518	(1)	135,000	1,216,517	(1)	135,000	1,216,517
Federal Special	884,758	667,307	0	1,552,065	(56,393)	0	828,365
Total Funds	\$3,638,063	\$1,200,697	\$135,000	\$4,973,760	\$510,897	\$135,000	\$4,283,960

Montana Library Commission-5115

Statewide Library Resources-01

Program Description - The State Library Operations Program provides 1) information services to state government employees and officials; 2) assistance to all public libraries; 3) reading material for all blind and physically handicapped Montana residents; 4) direction to the six library federations and 5) a centralized depository for natural resources information. This program also administers the state documents depository system, and coordinates the development of information resources and library information systems throughout the state. The program also manages the budgetary, personnel, and administrative functions of the State Library.

Program Indicators –

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Consulting contacts	12,324	10,714	8,496	8,836	9,186	9,553
Talking book circulation	141,864	140,700	139,985	142,785	145,635	148,547
Digital Library – Reference request	4,604	4,064	2,700	2,808	2,920	3,036
Digital Library – Visitor sessions to web based services	847,023	990,000	1,549,810	1,611,810	1,676,310	1,743,362

Consulting Contacts defined as providing information and advise to librarians (mainly the 79 public library directors and staff, but occasionally to the 646 academic, special or school librarians), trustees (five for each of the 79 public libraries), administrators, and users of Montana libraries on all aspects of providing library services to Montanans. This consulting is provided on a variety of topics including, but not limited to, donations, censorship, e-rate application forms, library certification, technology plans, use of OCLC/WLN, use of MLN gateway, long range planning, statewide periodical database usage, collection development guidelines, internet connectivity, budgeting, acceptable use policies, trustee training, children's services, availability of grant funds, library personnel issues.

Talking book circulation defined as providing materials for the blind or physically handicapped from the Montana Talking Book Library. The active patron population remains fairly consistent at approximately 2,600 patrons. At this time this number includes only the physical talking books provided not the web services provided.

The Montana State Digital Library (MSdL), which comprises Library and Information Services (LIS) and the Natural Resources Information System (NRIS), provides resources to support the information needs of state agency management and staff, Montana librarians, and the public, including businesses and students. Specialized information resources include State of Montana publications, natural resource information (NRIS is the recognized point of access for GIS information), and information about the unique plants and animals of Montana. Digital Library services are offered to users through robust and easy-to-use resources via the Internet and through one-on-one assistance.

Number of reference services (sometimes referred to as mediated or staff-assisted services) and number of on-line services provided are good indicators that the Digital Library meets the needs of its clients.

Reference Services include those information transactions in which a staff member responds to an inquiry. These often involve research and assimilation of data and information from various sources on behalf of the patron. Reference services decreased during FY2004 due to transition activities – moving from print-based library services to electronic-based library services. Expectations are that the number of reference services provided will again increase as the volume of data and information served through the library grows. Although reliance on Web-based services will continue to increase (see Visitor Sessions statistics), there will also be an increasing need for library staff to be able to intelligently filter, interpret, customize and package digital information on behalf of patrons.

A Visitor Session to a web based information resource is defined as a discrete period of time during which a unique user comes to our web site and uses the resources on any given day. Visitor sessions represent a visit to our digital library during which a patron may utilize several different information resources; this statistic reflects the value of a particular web-based resource more accurately than "hits" or similar measurements sometimes used. In FY2004, 847,023 visitor sessions averaged approximately 13 minutes each. This translates to 504 hours of web service usage by our patrons for every calendar day of the year.

Montana Library Commission-5115

Statewide Library Resources-01

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	29.50	1.00	0.00	30.50	1.00	0.00	30.50
Personal Services	1,607,749	56,570	0	1,664,319	62,512	0	1,670,261
Operating Expenses	1,451,875	82,509	120,000	1,654,384	108,417	120,000	1,680,292
Equipment	47,398	5,936	0	53,334	9,286	0	56,684
Grants	531,041	1,055,682	15,000	1,601,723	330,682	15,000	876,723
Total Costs	\$3,638,063	\$1,200,697	\$135,000	\$4,973,760	\$510,897	\$135,000	\$4,283,960
General Fund	1,671,787	533,391	0	2,205,178	567,291	0	2,239,078
State/Other Special	1,081,518	(1)	135,000	1,216,517	(1)	135,000	1,216,517
Federal Special	884,758	667,307	0	1,552,065	(56,393)	0	828,365
Total Funds	\$3,638,063	\$1,200,697	\$135,000	\$4,973,760	\$510,897	\$135,000	\$4,283,960

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$150,000
FY 2009	\$150,000	\$150,000

PL- 1 - GIS Portal -

The Executive recommends an increase to fund geographic information systems (GIS) at the state library to expand the role of the Montana State Library to become the GIS clearinghouse for the state of Montana. This provides \$150,000 in each year of the 2009 biennium and 1.00 FTE to create the GIS data gateway to spatial information by state and local agencies and the public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,000	\$75,000
FY 2009	\$75,000	\$75,000

PL- 2 - Natural Heritage Program -

Adding \$75,000 in each year of the 2009 biennium will increase support of the Natural Heritage Program to obtain, catalog, store, manage and provide access to natural resource information from state agencies and other sources, work with data producers to routinely update information, develop and manage a website providing access to information, conduct outreach and training to promote effective access and use, and respond to user requests.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,550	\$5,550
FY 2009	\$5,550	\$5,550

PL- 4 - Standard Cost Adjustments -

Reinstating per diem at \$3,350 and volunteer insurance for Talking Book Library volunteers at \$500 both zero based line items. The per diem is for five commission members, appointed by the Governor, to receive a \$50 per day per diem rate to represent the Commission on business. Legal fees in Department of Justice increase from \$71.80 per hour to \$84 for approximately 135 hours per year totaling \$1,700.

Montana Library Commission-5115 Statewide Library Resources-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$916,251	\$0
FY 2009	\$191,220	\$0

PL- 5 - LSTA Grants -

Library Services and Technology Act (LSTA) funds are redefined each year. Projects are approved by the Library Commission. LSTA grants are requested as a biennial appropriation and are estimated amounts for the carryover each year. LSTA funding is received every year and has a two-year award cycle. Following are the estimated grant levels for the 2009 biennium: 06 LSTA \$75,000; 07 LSTA \$550,000; 08 LSTA \$500,000; 09 LSTA \$400,000

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$135,000	\$0
FY 2009	\$135,000	\$0

NP- 6 - Increase Library Federation Support -

Increased coal tax shared account funding of \$135,000 in each year of the 2009 biennium will provide funding to the Library Federation Program to tie revenue to projected annual expenditures of \$219,000 for the periodical database, \$56,000 for library on-line materials, and \$161,122 for federation activities. The state library's total coal severance tax shared account revenue for FY 2006 was \$436,512. This appropriation brings the total to just over \$571,500 for FY 2008 and FY 2009.

Montana Historical Society-5117

Mission Statement - To acquire, conserve, and advocate the protection of, provide broad access to, and interpret Montana's varied historical resources, thus promoting--for its citizens and for all others--the use, understanding, appreciation, and enjoyment of those resources.

Statutory Authority - Title 22, Chapter 3, MCA.

Language - It is the intent of the legislature that the Department of Commerce use lodging facility use taxes to fund \$454,963 in FY 2008 and \$458,310 in FY 2009 for the Montana Historical Society. This would be expended as follows:

- Historical Interpretation \$316,527 \$316,527
- Sriver Collection \$138,436 \$141,783

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	59.59	0.25	1.30	61.14	0.25	1.30	61.14
Personal Services	2,241,960	464,033	87,892	2,793,885	472,150	87,892	2,802,002
Operating Expenses	1,114,498	63,123	9,541	1,187,162	51,698	5,541	1,171,737
Equipment	7,304	1,023	0	8,327	1,600	0	8,904
Grants	78,861	0	0	78,861	0	0	78,861
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$3,493,126	\$528,179	\$97,433	\$4,118,738	\$525,448	\$93,433	\$4,112,007
General Fund	2,010,433	322,443	160,803	2,493,679	301,155	156,803	2,468,391
State/Other Special	90,381	(2,265)	0	88,116	(2,238)	0	88,143
Federal Special	535,304	97,917	0	633,221	100,928	0	636,232
Proprietary	857,008	110,084	(63,370)	903,722	125,603	(63,370)	919,241
Total Funds	\$3,493,126	\$528,179	\$97,433	\$4,118,738	\$525,448	\$93,433	\$4,112,007

Montana Historical Society-5117

Administration Program-01

Program Description - The Administration Program provides supervision, administration, and coordination of the five programs in the Montana Historical Society. Staff are responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, historic research, and historic interpretation.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Visitors to the Society	40155	47697	39955	40000	40000	40000
Member Program	1193	1439	1597	1750	1900	2050

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.74	0.00	0.00	19.74	0.00	0.00	19.74
Personal Services	860,323	107,255	0	967,578	108,944	0	969,267
Operating Expenses	702,374	60,808	0	763,182	45,482	0	747,856
Total Costs	\$1,562,697	\$168,063	\$0	\$1,730,760	\$154,426	\$0	\$1,717,123
General Fund	1,014,730	134,856	63,370	1,212,956	106,566	63,370	1,184,666
State/Other Special	83,878	1,114	0	84,992	1,141	0	85,019
Federal Special	55,300	1,200	0	56,500	1,200	0	56,500
Proprietary	408,789	30,893	(63,370)	376,312	45,519	(63,370)	390,938
Total Funds	\$1,562,697	\$168,063	\$0	\$1,730,760	\$154,426	\$0	\$1,717,123

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$19,200	\$19,200
FY 2009	\$19,200	\$19,200

PL- 2 - Computer Replacement -

This proposal will allow the Society to replace one-fourth of approximately 65 computers at \$1,200 each, totaling \$19,200 each year of the 2009 biennium.

Montana Historical Society-5117

Research Center-02

Program Description - The Library Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, and makes accessible to the public published materials, historic records and manuscripts, photographs and related media, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official Archives of the State. It assists researchers seeking historical information.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of published items and photographs acquired	7849	9831	12143	9950	10000	10100
Linear feet of manuscripts and state records acquired	608.7	453.2	510.3	525	550	600
Reference service	13332	11579	11681	12200	12700	13000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	14.75	0.00	0.00	14.75	0.00	0.00	14.75
Personal Services	590,797	123,645	0	714,442	125,545	0	716,342
Operating Expenses	127,676	18,844	0	146,520	19,843	0	147,519
Equipment	7,304	1,023	0	8,327	1,600	0	8,904
Total Costs	\$725,777	\$143,512	\$0	\$869,289	\$146,988	\$0	\$872,765
General Fund	658,645	136,571	0	795,216	139,965	0	798,610
State/Other Special	42	2,582	0	2,624	2,582	0	2,624
Proprietary	67,090	4,359	0	71,449	4,441	0	71,531
Total Funds	\$725,777	\$143,512	\$0	\$869,289	\$146,988	\$0	\$872,765

Montana Historical Society-5117 Museum Program-03

Program Description - The Museum Program collects, preserves, and interprets the history of Montana through its material culture. The museum collects fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours and traveling exhibits. The program also houses the society's education office that orchestrates events, programs, and materials on Montana history for learners of all ages.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of exhibits*	19	25	27	21	23	25
Number of participants in Educational programs**	35,720	39,904	43,649	48,000	50,000	52,000

* The number of permanent, rotating, offsite, and traveling exhibits owned by the society.

** This consists of school tours, capital tours, Original Governor's Mansion tours, lectures, seminars, workshops, and outreach resources.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.85	0.00	1.30	11.15	0.00	1.30	11.15
Personal Services	214,671	61,842	45,459	321,972	62,823	45,459	322,953
Operating Expenses	37,633	(47,634)	9,541	(460)	(46,682)	5,541	(3,508)
Total Costs	\$252,304	\$14,208	\$55,000	\$321,512	\$16,141	\$51,000	\$319,445
General Fund	240,391	15,621	55,000	311,012	17,554	51,000	308,945
State/Other Special	6,461	(5,961)	0	500	(5,961)	0	500
Proprietary	5,452	4,548	0	10,000	4,548	0	10,000
Total Funds	\$252,304	\$14,208	\$55,000	\$321,512	\$16,141	\$51,000	\$319,445

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$254,631)	(\$254,631)
FY 2009	(\$254,631)	(\$254,631)

PL- 20 - Move Expended LA Base of Lodging Facility Use Tax -

This proposal is removing \$254,631 in FY 2008 and FY 2009 of state special revenue increases from the Montana Historical Society budget to eliminate a double appropriation between the Department of Commerce and the Society. This decision package eliminates the double appropriation of lodging facility tax while maintaining the intent of the legislature as stated in the language in HB 2.

**Montana Historical Society-5117
Museum Program-03**

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,000	\$55,000
FY 2009	\$51,000	\$51,000

NP- 8 - Museum Assistant Registrar Positions -

The budget includes adding 1.3 FTE registrar positions aids in meeting recommendations of the last two legislative audit reports that recommended adding positions to manage society collections and follow monitoring procedures to ensure all artifacts are properly controlled. These additions will cost \$55,000 in FY 2008 and \$51,000 in FY 2009 for a biennial total of \$106,000.

Montana Historical Society-5117

Publications Program-04

Program Description - The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly editions of the award-winning Montana The Magazine of Western History and the Montana Post, the official newsletter of the society. It also publishes books under the Montana Historical Society Press imprint and operates the museum store.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Subscribers to magazine	5865	5890	5915	5926	3602	3650
Number of books published By the Society Press	2	3	3	3	3	3

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.75	0.00	0.00	5.75	0.00	0.00	5.75
Personal Services	196,740	67,405	42,433	306,578	68,221	42,433	307,394
Operating Expenses	173,937	1,523	0	175,460	1,758	0	175,695
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$421,180	\$68,928	\$42,433	\$532,541	\$69,979	\$42,433	\$533,592
General Fund	50,503	(1,356)	42,433	91,580	(1,116)	42,433	91,820
Federal Special	0	0	0	0	0	0	0
Proprietary	370,677	70,284	0	440,961	71,095	0	441,772
Total Funds	\$421,180	\$68,928	\$42,433	\$532,541	\$69,979	\$42,433	\$533,592

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$42,433	\$42,433
FY 2009	\$42,433	\$42,433

NP- 6 - Increase State Support - Western History Magazine -

The agency includes increasing general fund support of The Magazine of Western History from 15% (\$50,503) to nearly 28% general fund support by adding \$42,433 in each year of the biennium. This is still well below state participation in other western states (i.e. Nebraska and North Dakota 70%, Arizona 65%, Minnesota 60%, and Kansas 50%).

Montana Historical Society-5117 Historic Preservation Program-06

Program Description - The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administers the National Register of Historic Places program in Montana through the state preservation review board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Construction projects developed with SHPO assistance	2958	3000	3100	3200	2000***	2000***
Newly listed properties on the National Register of Historic Places	13**	12	12	12	15	15

** FY2004 includes one community district with over 300 individual contributing buildings.

*** Reduction in mediated assistance anticipated due to implementation of shared direct electronic access to routine information

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.50	0.25	0.00	9.75	0.25	0.00	9.75
Personal Services	379,429	103,886	0	483,315	106,617	0	486,046
Operating Expenses	72,878	29,582	0	102,460	31,297	0	104,175
Grants	78,861	0	0	78,861	0	0	78,861
Total Costs	\$531,168	\$133,468	\$0	\$664,636	\$137,914	\$0	\$669,082
General Fund	46,164	36,751	0	82,915	38,186	0	84,350
State/Other Special	0	0	0	0	0	0	0
Federal Special	480,004	96,717	0	576,721	99,728	0	579,732
Proprietary	5,000	0	0	5,000	0	0	5,000
Total Funds	\$531,168	\$133,468	\$0	\$664,636	\$137,914	\$0	\$669,082

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,276	\$30,276
FY 2009	\$30,276	\$30,276

PL- 7 - State Historic Preservation Office Funding -

Providing \$30,276 and 0.25 FTE each year of the 2009 biennium would allow the State Historic Preservation Office (SHPO) to annually increase 0.25 FTE at a cost of \$8,864 for a grant manager position; \$16,912 for the cost of housing the State Antiquities Database at the Department of Administration, Information Technology Services Division (ITSD) mid-tier environment; and \$4,500 for the State Preservation Review Board to statutorily meet three times each year to review nominations to the National Register of Historic Places and the State Heritage Properties Registry.

Commissioner Of Higher Ed-5102

Please note that this agency also contains proprietary funds (see section P).

Mission Statement - To serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana's economy and society.

Statutory Authority - Article X, Section 9, Montana Constitution and 2-15-1506, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	100.06	0.00	4.00	104.06	0.00	4.00	104.06
Personal Services	4,652,921	708,297	366,077	5,727,295	729,005	366,186	5,748,112
Operating Expenses	6,571,778	106,334	1,781,910	8,460,022	63,077	513,236	7,148,091
Equipment	18,742	0	225,000	243,742	0	225,000	243,742
Local Assistance	7,590,416	763,397	0	8,353,813	929,556	0	8,519,972
Grants	13,151,418	1,529,847	2,018,556	16,699,821	2,446,292	2,628,551	18,226,261
Benefits & Claims	21,967,240	0	18,700,000	40,667,240	0	21,800,000	43,767,240
Transfers	148,037,141	12,345,648	7,208,983	168,118,360	16,447,036	674,000	165,158,177
Total Costs	\$201,989,656	\$15,453,523	\$30,300,526	\$247,743,705	\$20,614,966	\$26,206,973	\$248,811,595
General Fund	149,076,830	12,473,424	6,846,236	168,396,490	17,307,884	1,875,785	168,260,499
State/Other Special	14,296,001	2,265,692	2,099,662	18,661,355	2,598,634	99,662	16,994,297
Federal Special	38,616,825	714,407	20,913,693	60,244,926	708,448	23,790,867	63,116,140
Proprietary	0	0	440,935	440,935	0	440,659	440,659
Total Funds	\$201,989,656	\$15,453,523	\$30,300,526	\$247,743,705	\$20,614,966	\$26,206,973	\$248,811,595

Language -

The Executive recommends language in HB 2, but it is not printed in this book for space considerations.

Commissioner Of Higher Ed-5102

Administration Program-01

Program Description - The administration program includes: 1) general administration of the University System, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the commissioner and prescribes his powers and duties.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	17.90	1.00	3.50	22.40	1.00	3.50	22.40
Personal Services	1,576,675	(32,039)	318,066	1,862,702	(22,535)	318,165	1,872,305
Operating Expenses	487,330	75,402	1,307,808	1,870,540	48,174	271,965	807,469
Equipment	11,243	0	225,000	236,243	0	225,000	236,243
Total Costs	\$2,075,248	\$43,363	\$1,850,874	\$3,969,485	\$25,639	\$815,130	\$2,916,017
General Fund	1,854,234	43,363	1,630,953	3,528,550	25,639	595,484	2,475,358
Federal Special	221,014	0	(221,014)	0	0	(221,014)	0
Proprietary	0	0	440,935	440,935	0	440,659	440,659
Total Funds	\$2,075,248	\$43,363	\$1,850,874	\$3,969,485	\$25,639	\$815,130	\$2,916,017

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,000	\$30,000
FY 2009	\$0	\$0

PL- 1000 - Moving Expenses (OTO) -

This \$30,000 general fund request is for moving expenses for the Office of the Commissioner of Higher Education (OCHE).

In September 2005, the OCHE moved from the Student Assistance Foundation (SAF) Building on Broadway Street to downtown Helena as SAF needed the space because of its growth. Subsequently, SAF has chosen to build a new larger building. OCHE has been offered space in the new SAF building. The SAF building is expected to be completed by March 31, 2008. OCHE will move as soon as possible when the new building is completed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,356	\$13,356
FY 2009	\$54,420	\$54,420

PL- 1002 - Rent Increase -

This \$67,776 general fund request is for increased rent for the Administration Program.

As stated in the above decision package, the OCHE will be moving to the new SAF building by the end of March 2008. OCHE was temporarily located in downtown Helena.

Commissioner Of Higher Ed-5102 Administration Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$33,848	\$33,848
FY 2009	\$33,858	\$33,858

PL- 1020 - Move One FTE from Minority Achievement to Administration -

This decision package moves 1.00 FTE (Administrative Support) from the American Indian and Minority Achievement function within the Talent Search Program to the Administration Program.

In an effort to maximize resources within the OCHE, the Administrative Support position will serve all academic and student support areas including the American Indian and Minority Achievement Program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,291,099	\$1,291,099
FY 2009	\$253,901	\$253,901

NP- 1051 - Improve Transferability and Student Data OTO -

This decision package funds \$1,545,000 towards a comprehensive program to improve transferability between campuses of the Montana University System.

There are three main components to this request. 1) Develop a comprehensive and refined data warehouse and implement required assessment models (\$350,000) . 2) Faculty Program Council expenses (\$500,000) and 3) the management and sustainability 2.5 FTE, operating expenses, faculty council on-going expenses (\$625,000). The proposal will also be used in the facilitation of dual enrollment (\$70,000).

The Office of Public Instruction (OPI) and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$450,000	\$450,000
FY 2009	\$450,000	\$450,000

NP- 1052 - Coordinate and Enhance Distant Learning - OTO -

The Montana University System requests \$900,000 in the 2009 biennium to significantly expand student access to distance education beyond what has been possible in the current biennium. Getting all on-line general education core courses available through one portal is significant, but these courses are only a subset of the much broader array of course and degree program offerings which students need to access. Current work is focused on making existing courses more accessible to students, but additional resources are needed to develop new high-demand on-line courses. Also, it will take one more biennium to remove the more complicated barriers for on-line students.

The estimated biennial budget is as follows:

• Central course management and expand "gateway" for all courses:	\$450,000
• Develop new on-line courses in high-demand areas:	\$100,000
• Develop on-line application, records, financial aid processes:	\$ 75,000
• Develop learning outcomes assessment:	\$ 25,000
• Develop on-line student support and advising system:	\$100,000
• Create single tuition and fee statements for on-line courses:	\$ 75,000
• Administrative costs:	\$ 75,000

Commissioner Of Higher Ed-5102 Administration Program-01

The salary of one FTE has been allocated to the above budget items.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$99,775	(\$120,146)
FY 2009	\$101,229	(\$118,416)

NP- 1053 - Create Internal Service Fund for Fiscal and Admin -

This decision package creates a proprietary indirect cost plan fund in the OCHE budget for the 2009 biennium. During the base year OCHE had accounted for indirect costs in a federal special revenue fund.

OCHE implemented an agency indirect cost plan in FY 2006 and is in compliance with state law and guidelines in regard to recovering certain costs from non-general fund sources, such as federal grants. All OCHE funds would be charged an indirect rate (presently 2.8%). The revenues from the indirect cost assessment would be deposited into a proprietary fund and used to pay indirect costs such as, but not limited to, accounting, legal, and information technology services, janitorial services, messenger services, warrant writing, and statewide indirect costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$10,000	\$10,000

NP- 1054 - Improve OCHE IT Network and Security -

The Executive budget includes an additional \$20,000 for the 2009 biennium for network maintenance and security services. OCHE experienced a serious security breach of its information technology network in Helena in FY 2006.

Commissioner Of Higher Ed-5102 Student Assistance Program-02

Program Description - This program includes all student grant funding. Types of grants include: work study, state grants, federal grant matching programs, and student grants for attending professional schools which are not available in Montana such as medicine, dentistry and veterinary medicine. Title 20, Chapters 25 and 26, MCA, govern the program.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	1.50	1.50	0.00	1.50	1.50
Personal Services	46,662	(15,762)	84,605	115,505	(14,662)	84,628	116,628
Operating Expenses	338	0	38,877	39,215	0	38,859	39,197
Local Assistance	108,000	8,000	0	116,000	12,000	0	120,000
Grants	9,073,420	1,565,186	576,180	11,214,786	2,481,631	1,176,175	12,731,226
Total Costs	\$9,228,420	\$1,557,424	\$699,662	\$11,485,506	\$2,478,969	\$1,299,662	\$13,007,051
General Fund	8,970,505	1,557,424	600,000	11,152,591	2,503,631	1,200,000	12,674,136
State/Other Special	25,000	(24,662)	99,662	100,000	(24,662)	99,662	100,000
Federal Special	232,915	0	0	232,915	0	0	232,915
Total Funds	\$9,228,420	\$1,557,424	\$699,662	\$11,485,506	\$2,478,969	\$1,299,662	\$13,007,051

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$295,020	\$295,020
FY 2009	\$480,465	\$480,465

PL- 2001 - WWAMI/WICHE/MN Dental -

Adjustments for the professional programs of WICHE/WWAMI/Minnesota Dental carry forward the authorized slots from the last legislative session with the projected increases in support costs.

The Western Interstate Commission for Higher Education (WICHE) Professional Student Exchange Program enables students in 13 western states to enroll in selected out-of-state professional programs usually because those fields of study are not available at public institutions in their home states.

WWAMI is a cooperative program of the University of Washington School of Medicine and the states of Wyoming, Alaska, Montana and Idaho.

Program	FY 2006 Actual	FY 2006 PL Adjustment	FY 2008 Request	FY 2009 PL Adjustment	FY 2009 Request
WICHE Admin. Dues	108,000	8,000	116,000	12,000	120,000
WHICE	1,773,083	118,417	1,891,500	203,517	1,976,600
Subtotal	1,881,083	126,417	2,007,500	215,517	2,096,600
WWAMI	2,865,033	159,803	3,024,836	250,548	3,115,581
MN Dentistry	156,000	8,800	164,800	14,400	170,400
Grand Total	4,902,116	295,020	5,197,136	480,465	5,382,581

Commissioner Of Higher Ed-5102 Student Assistance Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,278,166	\$1,278,166
FY 2009	\$2,013,166	\$2,013,166

PL- 2002 - Governor's Postsecondary Scholarship Program -

This decision package fully implements the Governor's Postsecondary Scholarship Program.

The Governor's Postsecondary Scholarship program passed by the 2005 legislature was partially funded and implemented in the 2007 biennium. This request for \$3,291,332 general fund will provide sufficient funds to fully fund and implement the program in the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,900	\$30,900
FY 2009	\$32,000	\$32,000

PL- 2053 - Reimburse MGSLP for Services Related to Student Assistance -

This decision package provides \$62,900 for estimated costs to be paid to the MT Guaranteed Student Loan Program (MGSLP) for administering state student assistance grants and the High School Honors Tuition Waiver program.

Personal Services is zero based in the budgeting system. MGSLP is a federally funded program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$99,662	\$0
FY 2009	\$99,662	\$0

NP- 2060 - MT Family Education Savings Program Growth -

This decision package increases the administration costs for the MT Family Education Savings Plan to \$100,000 and adds 1.00 FTE that is being transferred from the Montana Guaranteed Student Loan Program (MTGSLP).

Personal Services costs were \$24,662 in the base year but these costs were zero based in the budgeting system

Legislation was passed in the 2005 session naming the Board of Regents as trustees of the Montana Family Education Savings Plan (MFESP) and bringing state law into compliance with federal tax law. This program, with an excess of \$150 million in total assets, has grown significantly since the introduction of new investments options a few years ago.

There is no fee increase associated with the decision package.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$500,000	\$500,000

NP- 2061 - Governor's Scholarship Program Expansion -

The Executive recommends expanding two-year \$1,000 need based scholarships to respond to workforce demands. There will be more scholarships in the high demand fields of health and technology and new scholarships for process plant and building trades programs to attend one of Montana's colleges of technology, community colleges, or tribal colleges. The total cost would be \$750,000 for the 2009 biennium.

The Executive also recommends restructuring the Governor's Scholarship Program to provide more merit based high-school four-year \$1,000 scholarships. In coordination with the OCHE, the Governor's Scholarship will complement changes made to the Montana University System's Honors Scholarship Tuition Waiver to enhance opportunities for the "best and brightest" high school students to attend college in Montana.

Commissioner Of Higher Ed-5102

Student Assistance Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$350,000	\$350,000
FY 2009	\$700,000	\$700,000

NP- 2063 - Quality Educator Loan Forgiveness Program -

The Executive recommends the creation of a loan forgiveness program for teachers serving in critical shortage areas as defined by subject or geography. This program will assist schools to recruit and retain new quality educators and helps schools meet accreditation standards.

The Board of Public Education and the Office of Public Instruction will identify the critical shortage areas for Montana's public school system. The Montana Guaranteed Loan Program of the OCHE will administer the new Quality Educator Teacher Loan Forgiveness program in coordination with other federal loan forgiveness programs. The cost is estimated at \$1,050,000 general fund for the 2009 biennium.

A .50 FTE is included in this proposal.

Commissioner Of Higher Ed-5102

Improving Teacher Quality-03

Program Description - This program is a federal grant program aimed at upgrading teaching skills of teachers in math and science.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	12,686	(12,686)	0	0	(12,686)	0	0
Operating Expenses	5,056	1	0	5,057	1	0	5,057
Grants	344,809	0	35,134	379,943	0	45,134	389,943
Total Costs	\$362,551	(\$12,685)	\$35,134	\$385,000	(\$12,685)	\$45,134	\$395,000
Federal Special	362,551	(12,685)	35,134	385,000	(12,685)	45,134	395,000
Total Funds	\$362,551	(\$12,685)	\$35,134	\$385,000	(\$12,685)	\$45,134	\$395,000

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,134	\$0
FY 2009	\$45,134	\$0

NP- 3001 - Increase Improving Teacher Quality Grants -

This request adds \$80,268 federal authority in the 2009 biennium for increased federal funds anticipated for grants for programs to improve teacher quality. Under Title II, Part A, Improving Teacher Quality State Grants, the OCHE provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need school districts.

Commissioner Of Higher Ed-5102 Community College Assistance-04

Program Description - This program distributes funds appropriated by the Legislature in support of the three community colleges: Miles Community College, Dawson Community College and Flathead Valley Community College. Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	7,482,416	755,397	0	8,237,813	917,556	0	8,399,972
Total Costs	\$7,482,416	\$755,397	\$0	\$8,237,813	\$917,556	\$0	\$8,399,972
General Fund	7,482,416	755,397	0	8,237,813	917,556	0	8,399,972
Total Funds	\$7,482,416	\$755,397	\$0	\$8,237,813	\$917,556	\$0	\$8,399,972

-----Present Law Adjustments-----

Projected Resident FTE			
	FY 2006 Actual	FY 2008	FY 2009
Dawson C.C.	442	445	445
Flathead C.C.	1,332	1,475	1,475
Miles C.C.	442	491	491
Total	2,216	2,411	2,411
Present Law Adjustment			
Dawson C.C.	\$1,466,213	\$121,339	\$151,227
Flathead C.C.	\$4,407,586	\$506,523	\$605,817
Miles C.C.	\$1,608,617	\$127,535	\$160,513
TOTAL	\$7,482,416	\$755,397	\$917,556

It is anticipated that the funds provided in the following three decision packages, along with pay plan funding, will be sufficient for the community colleges to offer zero tuition increases for resident students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$659,162)	(\$659,162)
FY 2009	(\$659,162)	(\$659,162)

PL- 4000 - Community Colleges-Reversion Adjustment -

FY 2006 expenditures do not reflect the enrollment reversions for the three community colleges. This negative adjustment is necessary to true up the base year.

Commissioner Of Higher Ed-5102 Community College Assistance-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$964,559	\$964,559
FY 2009	\$1,126,718	\$1,126,718

PL- 4001 - Community Colleges - Enrollment Adjustment -

This decision package updates resident enrollment projections for the 2009 biennium. The Executive estimated the community college resident enrollment at 2,411 resident students. This was based upon FY 2006 enrollment or a three year historical average, whichever was higher for each of the three community colleges.

The cost of education was rebased to \$7,300. The state is funding \$3,230 and \$3,297 in FY 2008 and FY 2009 respectively. The state share is 44 percent and 45 percent respectively.

If the enrollment projections are not met, the community colleges must revert in accordance with 17-7-142, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$450,000	\$450,000
FY 2009	\$450,000	\$450,000

PL- 4002 - Community Colleges - Base Funding -

The Executive recommends providing \$150,000 annually to each campus. This funding is not contingent on enrollment.

Commissioner Of Higher Ed-5102

Talent Search-06

Program Description - This program is primarily a federally-funded program to decrease the dropout rate of disadvantaged students in high schools and increase their enrollment in post-secondary education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.95	(1.00)	0.00	18.95	(1.00)	0.00	18.95
Personal Services	755,774	163,127	0	918,901	165,676	0	921,450
Operating Expenses	652,091	5,907	52,412	710,410	7,634	52,412	712,137
Grants	603,613	0	1,407,242	2,010,855	0	1,407,242	2,010,855
Transfers	300,000	0	600,000	900,000	0	600,000	900,000
Total Costs	\$2,311,478	\$169,034	\$2,059,654	\$4,540,166	\$173,310	\$2,059,654	\$4,544,442
General Fund	82,687	(9,816)	0	72,871	(9,782)	0	72,905
State/Other Special	0	0	0	0	0	0	0
Federal Special	2,228,791	178,850	2,059,654	4,467,295	183,092	2,059,654	4,471,537
Total Funds	\$2,311,478	\$169,034	\$2,059,654	\$4,540,166	\$173,310	\$2,059,654	\$4,544,442

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$33,848)	(\$33,848)
FY 2009	(\$33,858)	(\$33,858)

PL- 6053 - Move 1 FTE from Minority Achievement to Administration -

This decision package transfers one FTE (Administrative Support) from the American Indian and Minority Achievement function within the Talent Search Program to the Administration Program.

In an effort to maximize resources within the OCHE, the Administrative Support Position will serve all academic and student support areas including the American Indian and Minority Achievement Program.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,059,654	\$0
FY 2009	\$2,059,654	\$0

NP- 6052 - Increase Federal Gear-Up Grants & Scholarships -

This request adds \$4,119,308 federal authority in the 2009 biennium to allow the OCHE to expend the anticipated amount of this grant funds available for each year of the biennium.

GEAR UP (Gaining Early Awareness & Readiness for Undergraduate Programs) is a five-year federal grant awarded to the OCHE for the State of Montana. The program was reauthorized for a second time in FY 2006. The goal of this federal initiative is to encourage and support youngsters from low-income backgrounds to set high academic expectations, stay in school, study hard, and take courses to prepare them for college level studies.

Commissioner Of Higher Ed-5102 Work Force Development Pgm-08

Program Description - The OCHE and the Office of Public Instruction coordinate the primarily federal efforts to support vocational education at the secondary and post-secondary levels.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.01	0.00	0.00	5.01	0.00	0.00	5.01
Personal Services	263,822	43,597	0	307,419	44,953	0	308,775
Operating Expenses	184,570	501	0	185,071	612	0	185,182
Grants	2,729,576	(85,339)	0	2,644,237	(85,339)	0	2,644,237
Transfers	3,262,045	0	0	3,262,045	0	0	3,262,045
Total Costs	\$6,440,013	(\$41,241)	\$0	\$6,398,772	(\$39,774)	\$0	\$6,400,239
General Fund	91,092	0	0	91,092	0	0	91,092
Federal Special	6,348,921	(41,241)	0	6,307,680	(39,774)	0	6,309,147
Total Funds	\$6,440,013	(\$41,241)	\$0	\$6,398,772	(\$39,774)	\$0	\$6,400,239

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$85,339)	\$0
FY 2009	(\$85,339)	\$0

PL- 801 - Decrease Grant Funding -

This decision package removes base year expenditures for grant funds that do not continue into the 2009 biennium related to a grant for health care shortages. The grant has been closed.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

Program Description -

The Appropriation Distribution Program in the Office of the Commissioner of Higher Education (OCHE) is the conduit through which state funds flow to: 1) the university system units and colleges of technology and other campus related appropriations, and 2) the research/public service agencies.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0	0	0	0	0	0	0
Transfers	144,438,496	12,345,648	6,608,983	163,393,127	16,447,036	74,000	160,959,532
Debt Service	0	0	0	0	0	0	0
Total Costs	\$144,438,496	\$12,345,648	\$6,608,983	\$163,393,127	\$16,447,036	\$74,000	\$160,959,532
General Fund	130,167,495	10,055,294	4,608,983	144,831,772	13,823,740	74,000	144,065,235
State/Other Special	14,271,001	2,290,354	2,000,000	18,561,355	2,623,296	0	16,894,297
Total Funds	\$144,438,496	\$12,345,648	\$6,608,983	\$163,393,127	\$16,447,036	\$74,000	\$160,959,532

Educational Units – HB 2 Only

Proposed Budget	Base Budget FY 2006	PL Base Adjustments Fiscal 2008	New Proposals Fiscal 2008	Total Ex. Budget FY 2008	PL Base Adjustments Fiscal 2009	New Proposals Fiscal 2009	Total Ex. Budget FY 2009
Budget Item							
UM-Missoula	38,505,125	3,391,646		41,896,771	4,955,085		43,460,210
UM-Tech	10,422,931	588,047		11,010,978	1,009,689		11,432,620
UM-Western	5,270,936	629,780		5,900,716	674,519		5,945,455
UM-Helena COT	3,013,662	393,726		3,407,388	465,889		3,479,551
MSU-Bozeman	39,336,474	2,900,065		42,236,539	3,972,250		43,308,724
MSU Billings	15,573,142	1,616,930		17,190,072	1,980,849		17,553,991
MSU-Northern	7,373,359	293,483		7,666,842	550,796		7,924,155
MSU-Great Falls	4,084,065	478,285		4,562,350	651,065		4,735,130
Family Practice Residency Program -	319,366			319,366			319,366
Great Falls Dental Hygiene Program	235,000			235,000			235,000
Motorcycle Safety Education - North.	220,000			220,000			220,000
High School Honors (OTO)		500,000		500,000	500,000		500,000
Equipment and Technology MUS & CC (OTO)			4,000,000	4,000,000			-
Workforce Training and Program Development MUS & CC (OTO)			1,500,000	1,500,000			-
Total	124,354,060	10,791,962	5,500,000	140,646,022	14,760,142	0	139,114,202
General Fund	110,749,059	8,501,608	3,500,000	122,750,667	12,136,845		122,885,904
Statewide Six Mill Levy	13,385,001	2,290,354	2,000,000	17,675,355	2,623,297		16,008,298
Other Special Revenue	220,000			220,000			220,000
State Funds	124,354,060	10,791,962	5,500,000	140,646,022	14,760,143	0	139,114,202

The table above only reflects "state funds" that flow through the OCHE to the campuses.

Current Level Funding for Campuses

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

Campus	FY 2006	FY 2007	FY 2008	FY 2009
UM - Missoula	112,252,946	119,080,472	123,098,242	124,844,606
MT Tech	20,032,372	21,111,028	22,007,335	22,472,845
UM Western	9,338,752	9,825,144	10,258,480	10,328,493
UM - HCOT	5,015,172	5,196,824	5,386,567	5,459,317
MSU Bozeman	110,310,963	117,066,029	120,600,761	121,995,372
MSU Billings	33,322,639	35,124,943	36,177,655	36,553,467
MSU Northern	12,347,489	12,483,291	13,022,691	13,290,481
MSU G.F.	7,992,745	8,965,268	8,991,145	9,162,038
Totals	310,613,078	328,852,999	339,542,876	344,106,619

G.F. & 6 - Mill	123,677,044	125,306,273	133,955,586	137,937,397
Tuition and Fees	184,799,566	201,410,258	203,450,822	204,032,754
Other	2,136,468	2,136,468	2,136,468	2,136,468
Total	310,613,078	328,852,999	339,542,876	344,106,619

The above table reflects the current level base budget excluding the High School Honor's tuition waiver increases into the 2009 biennium. This table reflects no pay plan or retirement increases.

-----Present Law Adjustments-----

6-mill Account – The six-mill levy account is expected to grow from \$27.4 for the 2007 biennium to \$30.7 for the 2009 biennium. The Executive has funded the adjusted base with this increase to the six-mill account and decreased the general fund in the base by a like amount. No decision package is needed in the budgeting system.

College Affordability Plan (CAP) -- No Tuition Increases for Montana Resident and WUE Students

The Executive recommends funding for the Montana University System (MUS) that can result in a zero percent increase for students for the biennium. The CAP comprises three decision packages when combined to create a tuition cap so that no tuition increase would need to be asked of Montana resident students

Montana resident students and students participating in the Western Undergraduate Exchange (WUE) program represent 85% of all MUS students. The remaining 15% are non-resident students and are expected to incur tuition increases equal to the remaining core costs of the university system.

The three recommended funding increases for the Montana University System core operations are:

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,767,959	\$9,767,959
FY 2009	\$13,507,974	\$13,507,974

PL- 9001 - Present Law Adjustments - Ed Units (Resident) -

Montana resident students make up 80% of total students attending the Montana University System. This recommended increase is for the "resident " portion.

This increase includes such items as annualization of the 2007 pay-plan, faculty and staff merit and promotion increases, base year termination costs, new faculty positions added during FY 2007, IT fixed costs, new space, local utility increases and tuition waiver utilization and 2007 cost increases.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$524,003	\$524,003
FY 2009	\$752,168	\$752,168

PL- 9002 - Present Law Adjustments - Ed Units (WUE) -

Students participating in Western University Exchange (WUE) represent 5% of the total students attending the Montana University System. This recommended increase is for the "WUE " portion.

Montana is member of the WUE program comprising 15 western states that allow students to enroll in 2 year and 4-year colleges at a reduced rate of 150% of the institutions regular resident tuition. If tuition is not increased on Montana resident students, it cannot be increased on WUE students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$500,000	\$0
FY 2009	\$500,000	\$0

PL- 9008 - Tuition Waivers - H.S. Honors Program OTO -

The Executive Budget contains a one-time appropriation of \$500,000 in FY 2008 and \$500,000 in FY 2009 for restructuring the High School Honors Tuition Waiver Program.

OCHE redesigning the Honors program utilizing rigorous course taking and test scores so that all high school students will compete equally. This revised waiver program complements the Governor's "Best and Brightest" Scholarship Program to provide a maximum number of students in Montana with merit-based aid.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$4,000,000	\$2,000,000
FY 2009	\$0	\$0

NP- 9053 – Equipment and Technology in High Demand Fields MUS & CC OTO -

The Executive recommends a one-time allocation to address the need for equipment and technology at Montana's colleges to educate and train high demand workers as follows:

- Healthcare, skilled industries and high demand programs \$2.5 million;
- Classroom equipment and technology 1.5 million

The equipment and technology grant process for administering these funds shall be performed by the OCHE, in consultation with the State Workforce Investment Board (SWIB), and must give scoring priority to grants that receive matching funds. Matching funds may include federal funding revenue, private funding revenue and other non-state university funds.

This decision package is funded half with general fund and half with 6-mill carryover funds.

Commissioner Of Higher Ed-5102

Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,500,000	\$1,500,000
FY 2009	\$0	\$0

NP- 9054 - Workforce Training in High Demand Fields MUS & CC-OTO -

This one-time-only investment will provide funding for much needed operational costs targeted toward expanding capacity in programs to educate and train high demand workers.

Funding for workforce training opportunities is essential in order to be responsive to Montana's changing workforce development needs. Student demand exceeds current capabilities for instruction in several MUS programs.

The process of for distributing these funds shall be administered by the OCHE , in consultation with the State Workforce Investment Board (SWIB). Leveraging funds from non-state sources should be a priority in allocating these funds.

Agricultural Experiment Station

Agency Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2006	Adj. Fiscal 2008	Proposals Fiscal 2008	Exec. Budget Fiscal 2008	Adj. Fiscal 2009	Proposals Fiscal 2009	Exec. Budget Fiscal 2009
FTE	217.01	0.00	-17.00	200.01	0.00	-17.00	200.01
Personal Services	11,710,837	906,464	(723,640)	11,893,661	940,236	(726,899)	11,924,174
Operating Costs	1,902,835	177,951	(438,924)	1,641,862	193,488	(435,665)	1,660,658
Equipment	47,947			47,947			47,947
Transfers	328,044	3,836		331,880	6,159		334,203
Total Funds	13,989,663	1,088,251	(1,162,564)	13,915,350	1,139,883	(1,162,564)	13,966,982
State Funds							
General Fund	10,875,387	881,238		11,756,625	921,361		11,796,748
Subtotal State Funds	10,875,387	881,238	0	11,756,625	921,361	0	11,796,748
University Funds							
Federal Funds	1,951,712	146,705		2,098,417	158,214		2,109,926
Sales & Service	1,162,564		(1,162,564)	-		(1,162,564)	-
Interest and Other	-	60,308		60,308	60,308		60,308
Subtotal Univ. Funds	3,114,276	207,013	(1,162,564)	2,158,725	218,522	(1,162,564)	2,170,234
Total Current Unrestricted							
Operating Fund	13,989,663	1,088,251	(1,162,564)	13,915,350	1,139,883	(1,162,564)	13,966,982

Notes: AES received of \$10,875,387 in state support, \$1,992,805 in federal, \$1,162,564 in sales, \$165,146 in interest & \$40 of other in FY 2006.
Excess revenues over expenditures were \$206,278 in FY 2006.
Table reflects estimates for federal funds and interest for FY 2008 and FY 2009.

The Agricultural Experiment Station (AES) has requested that the Livestock and Range Research Laboratory (LARRL), located at Fort Keogh in Miles City, and other sales be removed from the current unrestricted fund and accounted for in a designated fund.

The above table reflects the \$1,162,564 expenditure and revenue reduction along with the 17 FTE. No decision package is necessary as these are not appropriated funds.

Commissioner Of Higher Ed-5102 **Appropriation Distribution-09**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$762,373	\$762,373
FY 2009	\$769,954	\$769,954

PL- 9020 - Present Law Adjustments - AES -

This \$1,532,327 adjustment is the state share of statewide present law adjustments for the AES. The state share of current unrestricted funding is 83 percent. This adjustment also includes \$165,794 in base year faculty termination costs and \$19,185 of scheduled faculty promotions for FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$71,272	\$71,272
FY 2009	\$83,196	\$83,196

PL- 9067 - AES - Miscellaneous -

The Executive adds \$154,468 for the state share for repair and maintenance, new space and for base reductions due to increased cost of gasoline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$47,593	\$47,593
FY 2009	\$68,211	\$68,211

PL- 66 - Increased Overhead Costs for Campus Support -

This adjustment adds a total of \$115,804 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the AES.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

Extension Services

Agency Proposed Budget	Base Budget Fiscal 2006	PL Base Adj. Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adj. Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	121.14	1.00	0.00	122.14	1.00	0.00	122.14
Personal Services	6,351,322	582,317		6,933,639	601,834		6,953,156
Operating Costs	857,662	51,572		909,234	55,468		913,130
Equipment	33,713			33,713			33,713
Transfers	124,949			124,949			124,949
Total Funds	7,367,646	633,889	0	8,001,535	657,302	0	8,024,948
State Funds							
General Fund	5,112,843	438,651		5,551,494	454,853		5,567,696
Subtotal State Funds	5,112,843	438,651	0	5,551,494	454,853	0	5,567,696
University Funds							
Federal Funds	2,234,670	195,238		2,429,908	202,449		2,437,119
Interest and Other	20,133			20,133			20,133
Subtotal Univer, Funds	2,254,803	195,238	0	2,450,041	202,449	0	2,457,252
Total Current Unrestricted							
Operating Fund	7,367,646	633,889	0	8,001,535	657,302	0	8,024,948

Notes: The PL adjustment includes a Cropping Specialist position funded in FY 2007 by the 59th Legislature.

ES received of \$5,112,843 in state support, \$2,234,670 in federal, \$26,026 in interest in FY 2006.

Table reflects estimate of federal revenue (Smith-Lever) for FY 2008 and FY 2009.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$398,948	\$398,948
FY 2009	\$398,763	\$398,763

PL- 9030 - Present Law Adjustments -Extension Services -

This \$797,711 adjustment is the state share of statewide present law adjustments for Extension Services (ES). The state share of current unrestricted funding is 69 percent. This adjustment also includes \$199,221 in base year faculty termination costs and \$14,979 of faculty promotions scheduled for FY 2007, and the cropping specialist position that was approved by the 59th legislature that started in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,265	\$3,265
FY 2009	\$4,127	\$4,127

PL- 9069 - ES - Miscellaneous -

The Executive adds \$7,932 for the state share of repair and maintenance and for base reductions due to increased cost of gasoline.

Commissioner Of Higher Ed-5102

Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$36,439	\$36,439
FY 2009	\$51,693	\$51,693

PL- 66 - Increased Overhead Costs for Campus Support -

This adjustment adds a total of \$88,402 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the ES.

Fire Services Training School

Agency Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2006	Adj. Fiscal 2008	Proposals Fiscal 2008	Exec. Budget Fiscal 2009	Adj. Fiscal 2009	Proposals Fiscal 2009	Exec. Budget Fiscal 2009
FTE	8.48	0.00	1.00	9.48	0.00	1.00	8.48
Personal Services	468,222	43,134	54,983	566,339	44,454	55,000	567,676
Operating Costs	98,574	8,330	19,000	125,904	6,277	19,000	123,851
Equipment	29,393		35,000	64,393			29,393
Transfers	1,200			1,200			1,200
Total Funds	597,389	51,464	108,983	757,836	50,731	74,000	722,120
State Funds							
General Fund	597,389	51,464	108,983	757,836	50,731	74,000	722,120
Subtotal State Funds	597,389	51,464	108,983	757,836	50,731	74,000	722,120
University Funds							
Interest and Other							
Subtotal Univer. Funds							
Total Current Unrestricted Operating Fund	597,389	51,464	108,983	757,836	50,731	74,000	722,120

Note: FSTS received \$598,292 in state funds and \$943 in interest earnings.
Excess revenues over expenditures were \$1,846 in FY 2006.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$45,004	\$45,004
FY 2009	\$42,544	\$42,544

PL- 9040 - Present Law Adjustments - Fire Services Training -

This \$87,548 adjustment is the state share of statewide present law adjustments for Fire Services Training Center (FSTS). This figure also includes \$41,884 in base year termination costs. The state share of current unrestricted funding is 100 percent.

Commissioner Of Higher Ed-5102

Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,010	\$6,010
FY 2009	\$6,955	\$6,955
PL- 9065 – Fire Services Training School - Miscellaneous -		
The Executive adds the state share of \$4,272 for repair and maintenance; \$1,969 for a lease increase and \$6,727 for base reductions due to increased cost of gasoline.		

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$450	\$450
FY 2009	\$1,232	\$1,232
PL- 66 - Increased Overhead Costs for Campus Support -		
This adjustment adds a total of \$1,682 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the FSTS.		

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$108,983	\$108,983
FY 2009	\$74,000	\$74,000
NP- 68 - Add One Fire Trainer at FSTS -		

The Executive supports an additional fire trainer at the FSTS. Montana's rapid growth puts a strain on communities to provide adequately trained fire fighters, most of whom are volunteers. This proposal requires a state investment of \$189,983 for the purpose of training fire fighters that meet the growing demand for skilled responders to a variety of emergency incidents across the state. There are currently only four training positions at FSTS and this will add a fifth trainer as well as in FY 2008 the purchase of one vehicle.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

Bureau of Mines and Geology

Agency Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2006	Adj. Fiscal 2008	Proposals Fiscal 2008	Exec. Budget Fiscal 2008	Adj. Fiscal 2009	Proposals Fiscal 2009	Exec. Budget Fiscal 2009
FTE	32.26	0.00	0.00	32.26	0.00	0.00	32.26
Personal Services	1,902,430	49,841		1,952,271	50,977		1,953,407
Operating Costs	352,156	32,535		384,691	101,102		453,258
Equipment	15,221	-		15,221	-		15,221
Transfers	170,814			170,814			170,814
Total Funds	2,440,621	82,376	0	2,522,997	152,079	0	2,592,700
State Funds							
General Fund	1,738,919	81,140		1,820,059	149,798		1,888,717
RIT Allocation	666,000			666,000			666,000
Subtotal State Funds	2,404,919	81,140	0	2,486,059	149,798	0	2,554,717
University Funds							
Sales & Service	35,702	1,126		36,828	2,281		37,983
Subtotal University Funds	35,702	1,126	0	36,828	2,281	0	37,983
Total Current Unrestricted Operating Fund	2,440,621	82,266	0	2,522,887	152,079	0	2,592,700

Note: BOM received \$1,738,919 in state funds, \$666,666 of RIT allocation and \$37,044 in misc. funds in FY 2006.
Excess revenues over expenditures were (\$473) in FY 2006

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$51,874	\$51,874
FY 2009	\$53,287	\$53,287

PL- 9060 - Present Law Adjustments - Bureau of Mines -

This \$105,161 adjustment is the state share of statewide present law adjustments for the Bureau of Mines (BOM). This adjustment includes \$6,956 of base year termination costs. The state share of current unrestricted funding is 98.5 percent, excluding the Groundwater Program.

The Groundwater Program is capped at \$666,000 with Resource Indemnity Trust Funds.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,852	\$6,852
FY 2009	\$6,852	\$6,852

PL- 9064 – Bureau of Mines-Miscellaneous -

The Executive approves \$13,703 for base reductions due to increased cost of gasoline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,415	\$22,415
FY 2009	\$89,660	\$89,660

PL- 9063 – Bureau of Mines - New Space - Restricted -

The Governor allocates \$112,074 for the BOM for new space in the Petroleum Building. The estimated occupancy date is fourth quarter of FY 2008.

Forestry and Conservation Experiment Station

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2006	Fiscal 2008	Fiscal 2008	Fiscal 2008	Fiscal 2009	Fiscal 2009	Fiscal 2009
FTE	12.14	0.00	0.00	12.14	0.00	0.00	12.14
Personal Services	803,608	97,943		901,551	104,801		908,409
Operating Costs	186,579	3,248		189,827	5,619		192,198
Transfers	3,500			3,500			3,500
Scholarships				-			-
Total Funds	993,687	101,191	0	1,094,878	110,420	0	1,104,107
State Funds							
General Fund	992,995	101,191		1,094,186	110,420		1,103,415
Subtotal State Funds	992,995	101,191	0	1,094,186	110,420	0	1,103,415
University Funds							
Interest and Other	692			692	-		692
Subtotal University Funds	692	0	0	692	0	0	692
Total Current Unrestricted							
Operating Fund	993,687	101,191	0	1,094,878	110,420	0	1,104,107

Note: FCES received \$992,995 in state funds and \$2,841 in interest earnings in FY 2006.
Excess revenues over expenditures were \$2,149 in FY 2006.

Commissioner Of Higher Ed-5102 Appropriation Distribution-09

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,271	\$100,271
FY 2009	\$108,580	\$108,580

PL- 9050 - Present Law Adjustments - Forestry & Cons. -

This \$208,851 adjustment is the state share of statewide present law adjustments for Forestry Conservation and Experiment Station (FCES). This adjustment also includes \$15,130 in base year termination costs and \$24,332 in Faculty Promotion and Market Increases. The state share of current unrestricted funding is 100 percent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$920	\$920
FY 2009	\$1,840	\$1,840

PL- 9066 - FCES - Miscellaneous -

The Executive adds \$2,760 for anticipated increases in repair and maintenance accounts.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$0	\$0

NP- 9055 - Research Agencies Equipment - OTO -

Allocate \$1 million for equipment needs of the five MUS Research Agencies.

The equipment grant process for administering these funds shall be administered by the OCHE, and must give scoring priority to grants that receive matching funds. Matching funds may include federal funding revenue, private funding revenue and other non-state university funds.

Commissioner Of Higher Ed-5102 Tribal College Assistance Pgm-11

Program Description - The program provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	400,000	50,000	0	450,000	50,000	0	450,000
Total Costs	\$400,000	\$50,000	\$0	\$450,000	\$50,000	\$0	\$450,000
General Fund	400,000	50,000	0	450,000	50,000	0	450,000
Total Funds	\$400,000	\$50,000	\$0	\$450,000	\$50,000	\$0	\$450,000

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$200,000)	(\$200,000)
FY 2009	(\$200,000)	(\$200,000)

PL- 1101 - Biennial Appropriation Adjustment -

This adjustment is necessary in the budgeting system to correct the biennial appropriation that was fully spent in the first year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

PL- 1102 - Increase Non-beneficiary Student Assistance -

Allocates \$500,000 to the tribal colleges for support of non-beneficiary student assistance in accordance with 20-25-428 MCA.

Commissioner Of Higher Ed-5102 Guaranteed Student Loan Pgm-12

Program Description - The Montana Guaranteed Student Loan Program (MGSLP) operates under federal regulation to guarantee federal student loans. MGSLP purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principle from defaulted loans and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	57.20	0.00	(1.00)	56.20	0.00	(1.00)	56.20
Personal Services	1,994,402	564,960	(42,894)	2,516,468	571,159	(42,907)	2,522,654
Operating Expenses	5,216,892	24,523	382,813	5,624,228	6,656	150,000	5,373,548
Equipment	7,499	0	0	7,499	0	0	7,499
Benefits & Claims	21,967,240	0	18,700,000	40,667,240	0	21,800,000	43,767,240
Transfers	36,600	0	0	36,600	0	0	36,600
Total Costs	\$29,222,633	\$589,483	\$19,039,919	\$48,852,035	\$577,815	\$21,907,093	\$51,707,541
Federal Special	29,222,633	589,483	19,039,919	48,852,035	577,815	21,907,093	51,707,541
Total Funds	\$29,222,633	\$589,483	\$19,039,919	\$48,852,035	\$577,815	\$21,907,093	\$51,707,541

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,000,000	\$0
FY 2009	\$15,000,000	\$0

NP- 1251 - GSL Increased Claims Payments -

During the last two years MGSLP's Outstanding Guarantee Portfolio grew from approximately \$991 million to \$1.6 billion. MGSLP will need to increase its appropriation for potential claim payments by \$28,000,000 for the biennium. MGSLP must have appropriate authority to pay timely claims to lenders when they are filed. Subsequent to claim payment, MGSLP is reimbursed by the U.S. Department of Education for approximately 95% of the amount expended.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,700,000	\$0
FY 2009	\$6,800,000	\$0

NP- 1252 - GSL Increased Collection Costs -

With the addition of increased claim payments, MGSLP also anticipates increased collections on the associated defaulted loans. This proposal increases federal authority to pay the Department of Education its required share of the default collection recoveries.

Commissioner Of Higher Ed-5102

Guaranteed Student Loan Pgm-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$382,813	\$0
FY 2009	\$0	\$0

NP- 1253 - GSL Federal Fund Reserve Recall -

The Higher Education Amendments of 1998 required the U.S. Secretary of Education to recall from guaranty agency federal student loan reserve funds a total of \$85 million, \$82.5 million, and \$82.5 million in each of federal fiscal years 2002, 2006, and 2007 respectively. MGSLP portion of the recall for federal fiscal year 2007 (which will be remitted on September 1, 2007, during state fiscal year 2008) is \$382,813.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$150,000	\$0

NP- 1254 - GSL Guarantee Servicing System -

MGSLP's current Guarantee Servicing System agreement with Great Lakes Higher Education Corporation will expire on June 30, 2008. During FY 2007, the agency will be renegotiating for a Guarantee Servicing System. At that time, MGSLP anticipates a potential increase in servicing costs of approximately 20% over current contract costs, for a total of \$150,000 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$42,894)	\$0
FY 2009	(\$42,907)	\$0

NP- 1255 - Transfer 1 FTE from MGSLP to Stud. Assist. -

Moves one vacant FTE from the MGSLP to the Students Assistance Program. The position will manage the Family Education Savings Loan Program.

Commissioner Of Higher Ed-5102 **Board Of Regents-admin-13**

Program Description - - The Board of Regents program provides secretarial support, travel and per diem for the Board of Regents. The Board of Regents has full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System under Article X, Section 9, Montana Constitution, and 20-25-301, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	2,900	(2,900)	6,300	6,300	(2,900)	6,300	6,300
Operating Expenses	25,501	0	0	25,501	0	0	25,501
Total Costs	\$28,401	(\$2,900)	\$6,300	\$31,801	(\$2,900)	\$6,300	\$31,801
General Fund	28,401	(2,900)	6,300	31,801	(2,900)	6,300	31,801
Total Funds	\$28,401	(\$2,900)	\$6,300	\$31,801	(\$2,900)	\$6,300	\$31,801

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,300	\$6,300
FY 2009	\$6,300	\$6,300

NP- 1301 - Restore Base - Per Diem -

Board per diem is zero based, actual 2006 expenditures are removed from the base budget. This adjustment restores authority for FY 2008 and FY 2009 to the level of 6 meetings for 7 board members.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION F: LONG-RANGE PLANNING

Long-Range Building Pgm

Cultural & Aesthetic Grant Pgm

Treasure State Endowment Pgm

State Building Energy
Conservation Pgm

Reclamation & Development Grants

Consolidated Information
Technology Projects

Renewable Resource Grants & Loans

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Long Range Building Program

Purpose - The Long-Range Building Program (LRBP) was initiated in 1965 to provide funding for construction and maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

Executive Recommendation -

- **Volume 3 of the Governor's 2009 biennium Executive Budget** contains complete descriptions of all recommended projects, which total \$300,484,138, as well as a listing of all LRBP project applications submitted by Agencies for the 2009 biennium. All recommended projects are listed within Table F-2.
- **The 2009 Long Range Building Program is a "Cash and Carry Only" program and no general obligation bonds are proposed.**
- **HB 5** contains \$130,130,000 LRBP, \$53,197,160 state special revenue, \$48,178,978 federal special revenue, and \$68,978,000 other funds for a total of 76 projects and \$300,484,138 in the cash program.
- Highest priorities in the cash recommendations for the 2009 biennium are projects that address safety, major repairs and deferred maintenance.
- The LRBP is the primary source of funding for major repairs and maintenance for two thirds of state-owned buildings, with a combined replacement value exceeding \$1.15 billion. Ongoing funding for the LRBP has diminished over time and currently the level of funding is not sufficient to maintain a reasonable level of major maintenance on state buildings, causing the state's backlog of deferred maintenance to grow to an estimated \$205 million. An ongoing General Fund Appropriation of \$7.15 million per year is being made to directly address this problem of insufficient ongoing funding for maintenance of state buildings.
- In addition to this ongoing appropriation, a one-time transfer of \$40 million from the General Fund to the Long Range Building Fund is being made to address the State's major repair and maintenance backlog.
- **Major renovation/capital projects in the Governor's 2009 biennium Executive Budget include:**
 - **STEP Program, Montana State Hospital** – This \$5.8 million project will renovate and improve and/or construct facilities within the Warm Springs Campus to accommodate multiple programs necessary for the Department of Corrections and Department of Health & Human Services to provide services and treatments required under their missions. This will allow DOC and DPHHS to develop and share a consistent, evidence based treatment strategy between their two systems for people who have a serious mental illness and/or co-occurring substance use disorder.
 - **Enterprise System Services Centers** – This \$24.15 million project will relocate the State of Montana's primary computer, telecommunications, and printing functions to a secure and appropriate Enterprise Systems Services Center (ESSC) Building, to be located in the greater Capitol Complex area. In addition to the primary System Services Center, this project will construct a remote System Services Center in the eastern portion of Montana to provide operational capacity, redundant facilities to support critical services, accelerated backup processes and enhanced disaster recovery capabilities. These improvements will significantly enhance the security and disaster recovery capability of the State's primary computer facility.
 - **Renovate Gaines Hall, MSU-Bozeman** – Gaines Hall, constructed in the 1960's, houses the Chemistry Department at MSU and is one of the heaviest student-use buildings within the Bozeman campus. This \$28.5 million project will completely renovate the building to modern lab/teaching standards and eliminate deferred maintenance that has accumulated to a level equal to 1/3 of the replacement cost of the building.

Long Range Building Program

- **Law School Addition, UM-Missoula** – This \$8.5 million project will augment the existing authority and appropriations for renovations and additions to the Law School that are required to meet current accreditation and building code requirements.
- **Major significant projects, continued:**
 - **Purchase Forensic Science Lab Building** – This \$7.75 million project will purchase the Department of Justice's Forensic Science Lab Building located in Missoula, which is currently being leased. The State's analysis of purchase versus continued lease demonstrates that this is a prudent and timely investment for the State of Montana.
 - **Supercomputer Challenge Grant for Butte** – Montana has been offered an opportunity for installation of a supercomputer in Butte by a major computer manufacturer. There is great potential for economic development and enhancement of our Montana University System. If a successful business plan is developed, then the state will grant \$7 million to develop a supercomputer center in Butte.

Since the Last Session –

- The Architecture and Engineering Division has completed construction of the Applied Technology Center at MSU-Northern, a major renovation of the Montana State Prison Dairy, upgrades to the Electrical Distribution System at MSU-Bozeman, boiler upgrades at MT Law Enforcement Academy and UM-Western, and small but significant renovations at Eastern Montana Veterans' Home and Montana State Hospital.
- Construction has started for major additions to the Colleges of Technology at Billings, Great Falls and Helena; is well underway for the Chemistry Research Building at Montana State University; and is nearing completion for the new Journalism Building and Skaggs Building Addition at the University of Montana, and the campus grounds redevelopment at MSU-Northern.
- And in an effort to address the State's significant backlog of deferred maintenance within state-owned facilities, vital and significant major repair and maintenance projects have begun on virtually every governmental campus within the State.

Language Recommendation -

The following language will be included in the introduced version of **HB 5**:

"Fund Transfer. (1) There is transferred from the general fund \$50.875 million in fiscal year 2008 and \$50.875 million in fiscal year 2009 to the long-range building program account in the capital projects fund type for the projects enumerated in [section 2]. (2) There is transferred from the general fund \$15 million in the 2009 biennium to the fish, wildlife and parks capital projects account in the capital projects fund type for the projects enumerated in [section 5]".

Funding -

- See Table F-1 for presentation of the LRBP account revenue estimates for the 2009 biennium.

Long Range Building Program

TABLE F-1

**REVENUE ESTIMATE
LONG-RANGE BUILDING PROGRAM ACCOUNT
PROJECTIONS AS OF NOVEMBER 9, 2006
2009 BIENNIUM**

Estimated Beginning Cash Balance (July 1, 2007)		\$4,605,746
Revenues:		
Cigarette Tax	\$3,885,992	
Coal Severance Tax	9,451,465	
Interest Earnings	3,300,239	
Supervisory Fees	649,336	
DEQ Transfer - Energy Savings	82,365	
General Fund Transfer (Ongoing)	14,300,000	
General Fund Transfer (OTO)	<u>101,750,000</u>	
Total Revenues		<u>133,419,397</u>
Funds Available		138,025,143
Expenditures:		
Operating Costs - A & E Division	(3,415,744)	
Debt Service - 2003G Issue ¹	(3,607,245)	
Debt Service - 2005A Issue ²	(1,022,440)	
Debt Service - 1997B Issue ³	(270,803)	
Debt Service - 1999C Issue ⁴	(854,018)	
Funding Switch ⁵	<u>1,330,000</u>	
Total Expenditures - Excluding Capital Projects		<u>(7,840,250)</u>
Funds Available For Capital Projects		130,184,893
Funding Proposals		
Capital Construction Program - LRBP Projects Only		(130,130,000)
Balance Remaining		<u><u>\$54,893</u></u>

¹ Refunding the 1996D bond issue

² Refunding portions of the 1997B and 1999C bond issues

³ Non-refunded portion of the 1997B bond issue

⁴ Non-refunded portion of the 1999C bond issue

⁵ Funding switch authorized by the 2001 legislature - Montana Session Laws 2001, Chapter 486, Section 11

Long Range Building Program

Table F-2
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
1	DPHHS	Install Generator, MMHNCC	250,000	0	0	0	250,000
2	Statewide	Roof Repairs and Replacements	3,000,000	392,160	68,040	0	3,460,200
3	Statewide	Code/Deferred Maintenance Projects	2,500,000	0	0	0	2,500,000
4	MUS	Code Compliance/Deferred Maintenance, MUS	4,000,000	0	0	0	4,000,000
5	Statewide	Hazardous Materials Abatement	500,000	0	0	0	500,000
6	DOA	Code/Deferred Maintenance Projects, Capitol Complex	0	0	0	550,000	550,000
7	Statewide	Upgrade Fire Protection Systems	500,000	0	0	0	500,000
8	DOA	Fire Protection Measures, Capitol Complex	0	0	0	500,000	500,000
9	MUS	Systems Improvements, MT-Tech COT	925,000	0	0	0	925,000
10	DOC	Housing Unit Upgrades, MT State Prison	1,200,000	0	0	0	1,200,000
11	MSDB	Replace Boiler	600,000	0	0	0	600,000
12	DPHHS	STEP Program Renovations, MSH, Warm Springs	5,800,000	0	0	0	5,800,000
13	MUS	Steam Distribution System Upgrades, Phase 2, UM-Missoula	2,000,000	0	0	1,000,000	3,000,000
14	MUS	Renovate Clapp Building, UM-Missoula	821,000	0	0	0	821,000
15	MUS	Renovate Armory Gym, MSU-Northern	400,000	0	0	3,250,000	3,650,000
16	DPHHS	Renovate/Improve Support Services, MSH	4,500,000	0	0	0	4,500,000
17	MUS	Renovate Main Hall, UM-Western	4,500,000	0	0	0	4,500,000
18	MUS	Renovate McMullen Hall, MSU-Billings	1,924,500	0	0	0	1,924,500
19	DOA	Upgrade State Environmental Laboratory, Helena	1,000,000	0	1,000,000	0	2,000,000
20	DPHHS	Modernize MMHNCC, Lewistown	500,000	0	0	0	500,000
21	Statewide	Repair/Preserve Building Envelopes	1,500,000	0	0	0	1,500,000

Long Range Building Program

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
22	MUS	Stabilize Masonry, MSU-Bozeman	2,600,000	0	0	0	2,600,000
23	Statewide	Campus Infrastructure Projects	1,000,000	0	0	0	1,000,000
24	MUS	Deferred Maintenance & Acquisition, MSU-AES Statewide	400,000	0	0	500,000	900,000
25	MUS	Classroom/Laboratory Upgrades - Montana University System	2,000,000	0	0	0	2,000,000
26	DOA	Mechanical System Improvements, Capitol Complex	0	0	0	1,900,000	1,900,000
27	DNRC	Code/Deferred Maintenance and Small Projects, DNRC Unit Campuses - Statewide	750,000	0	0	0	750,000
28	DOA	Deferred Maintenance, Phase 2, MT Law Enforcement Academy	500,000	0	0	0	500,000
29	Commerce	Maintain Historic Buildings, Virginia & Nevada Cities	3,000,000	0	0	0	3,000,000
30	MUS	Utility Infrastructure Improvements, MSU-Bozeman	500,000	0	0	50,000	550,000
31	DPHHS	Montana Veterans' Home Improvements	0	1,413,000	0	0	1,413,000
32	DPHHS	Improve Campus, MSH - Warm Springs	1,280,000	0	0	0	1,280,000
33	DOA	Enterprise System Services Centers	20,150,000	0	0	4,000,000	24,150,000
34	MUS	Supplement HCOT Expansion	1,350,000	0	0	135,000	1,485,000
35	Statewide	Campus Master Planning	400,000	0	0	250,000	650,000
36	DOC	Expand Work Dorm, MSP	2,500,000	0	0	0	2,500,000
37	MUS	Renovate Gaines Hall, MSU-Bozeman	28,500,000	0	0	0	28,500,000
38	DNRC	Co-Locate DNRC/DEQ, Kalispell	3,500,000	0	0	0	3,500,000
39	DNRC	Consolidate DNRC Divisions, Missoula	2,000,000	0	0	0	2,000,000
40	MUS	Law School Addition, UM - Missoula	3,450,000	0	0	5,050,000	8,500,000

Long Range Building Program

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
41	DOC	Expand Food Service Capacity, MSP	1,637,000	0	0	293,000	1,930,000
42	Justice	Purchase Forensic Science Lab Building	7,750,000	0	0	0	7,750,000
43	Statewide	Challenge Grant for Super Computer, UM-MT Tech	7,000,000	0	0	7,000,000	14,000,000
44	DMA	Readiness Center, Miles City	2,480,000	0	7,510,970	0	9,990,970
45	DMA	Armed Forces Reserve Center, Missoula	0	0	30,903,968	0	30,903,968
46	DMA	Construct Female Showers and Latrines	290,000	0	290,000	0	580,000
47	DMA	Montana State Veterans' Cemetary Expansion	0	0	1,206,000	0	1,206,000
48	DMA	DES Mobile Command Post	172,500	0	0	0	172,500
49	DMA	Federal Spending Authority	0	0	2,000,000	0	2,000,000
50	MDT	Statewide Maint. Repair & Small Projects	0	2,300,000	0	0	2,300,000
51	MDT	Equipment Storage Buildings, Statewide	0	2,700,000	0	0	2,700,000
52	MDT	US Highway 93 Projects	0	26,000,000	0	0	26,000,000
53	DNRC	Bridge Replacement/Repair	0	750,000	0	0	750,000
54	DNRC	Building Addition - Billings Oil and Gas Office	0	750,000	0	0	750,000
55	MUS	Increase Authority - Museum of the Rockies, MSU-Bozeman	0	0	0	3,500,000	3,500,000
56	MUS	School of Education Building, UM-Missoula	0	0	0	7,500,000	7,500,000
57	MUS	HHP Physiological and Nutritional Lab, UM-Missoula	0	0	0	4,500,000	4,500,000
58	MUS	New Parking Structure, UM-Missoula	0	0	0	5,000,000	5,000,000
59	MUS	General Spending Authority, MSU-All Campuses	0	0	0	5,000,000	5,000,000
60	MUS	General Spending Authority, UM-All Campuses	0	0	0	4,000,000	4,000,000
61	FWP	Future Fisheries	0	1,314,000	0	0	1,314,000
62	FWP	FAS Acquisition	0	460,000	100,000	0	560,000

Long Range Building Program

Table F-2, continued
Long-Range Building Program

Priority	Agency	Project Description	Funding Sources				Total
			LRBP	State Special	Federal Special	Other Funds	
63	FWP	FAS Maintenance	0	350,000	0	0	350,000
64	FWP	FAS Site Protection	0	800,000	0	0	800,000
65	FWP	Hatchery Maintenance	0	500,000	0	0	500,000
66	FWP	Community Fishing Ponds	0	50,000	0	0	50,000
67	FWP	FWP Dams Repair	0	100,000	0	0	100,000
68	FWP	Habitat Montana	0	6,180,000	0	0	6,180,000
69	FWP	Upland Game Bird Program	0	1,258,000	0	0	1,258,000
70	FWP	Wildlife Habitat Maintenance	0	1,200,000			1,200,000
71	FWP	Migratory Bird Stamp Program	0	360,000	0	0	360,000
72	FWP	Bighorn Sheep	0	250,000	0	0	250,000
73	FWP	Parks Program	500,000	4,950,000	2,300,000	0	7,750,000
74	FWP	Access Montana	0	0	0	15,000,000	15,000,000
75	FWP	Grant Programs/Federal Projects	0	320,000	2,800,000	0	3,120,000
76	FWP	Admin Facilities Repair & Maintenance	0	800,000	0	0	800,000
TOTAL LONG RANGE BUILDING PROGRAM			\$130,130,000	\$53,197,160	\$48,178,978	\$68,978,000	\$300,484,138

Treasure State Endowment Program

Purpose - The Treasure State Endowment Program (TSEP), administered by the Department of Commerce, is a coal tax-funded program designed to assist communities with infrastructure financing as authorized by Montana voters with passage of Legislative Referendum 110 in 1992. Title 90, Chapter 6, part 7, MCA sets out the basic requirements for TSEP. Goals for the program include:

- create jobs for Montana residents;
- promote economic growth in Montana by helping to finance the necessary infrastructure;
- encourage local public facility improvements;
- create a partnership between the state and local governments to make necessary public projects affordable;
- support long-term, stable economic growth in Montana;
- protect future generations from undue fiscal burdens caused by financing necessary public works;
- coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
- enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

Executive Recommendation -

- **Volume 4 of the Governor's 2009 biennium Executive Budget** contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.
- Under current law, it is projected that about \$17.3 million in net endowment interest will be available for TSEP grant awards for the 2009 biennium.
- HB 11 contains the list of projects recommended for TSEP construction grant funding. For the 2009 biennium, there were 57 applications submitted, requesting \$33,891,715 in TSEP grant funds. Table F-3 lists each project and the recommended grant if there are sufficient monies to fund each project. Based on the net endowment interest projected to be available for TSEP grant awards for the 2009 biennium, the first 31 projects could be funded.
- HB 11 also contains requests for \$600,000 to be used by the department to award matching grants for preliminary engineering studies, and \$100,000 to be used by the department to award grants for emergency projects.
- HB 11 also contains a request to amend Section 1, Chapter 435, Laws of 2001, in order to terminate a prior TSEP grant.
- HB 11 also contains an appropriation from the Treasure State Endowment Regional Water System Fund, which is administered by the Department of Natural Resources and Conservation.

Treasure State Endowment Program

Since the Last Session -

- Since the 2005 Legislature met, the department has administered as many as 96 construction grants, awarded and administered 43 grants for preliminary engineering studies, and awarded and administered four grants for emergency projects.
- There were a few major policy changes to *TSEP Application Guidelines* that were published in 2005.
 - The maximum amount of TSEP construction grant funds that can now be requested for a construction project was raised from \$500,000 to \$750,000, and the maximum amount that can be requested per benefited household was raised from \$7,500 to \$15,000.
 - Preliminary engineering hardship grants were eliminated. All preliminary engineering grant applicants are now required to provide a dollar-for-dollar match.
 - The financial analysis methodology used to evaluate bridge projects was modified. The new methodology looks at approximately how much money is available to the county that could be used for bridge projects (an indicator of the overall wealth of the county) and the number of bridges that the county is responsible for maintaining.

Treasure State Endowment Program

Table F-3
TSEP Applicants and the Amount of Dollars Recommended

Rank ¹	Applicant	Type of Project	Amount Requested	Proposed Grant Award ²	Cumulative Proposed Award
1	Lewis & Clark County for the Woodlawn Park Addition	Water	596,420	596,420	596,420
2	Bainville, Town of	Wastewater	715,000	715,000	1,311,420
3	Madison Co.	Bridge	370,100	370,100	1,681,520
4	Sweet Grass Co	Bridge	151,493	151,493	1,833,013
5	Powell Co.	Bridge	263,074	263,074	2,096,087
6	Circle, Town of	Wastewater	750,000	750,000	2,846,087
7	Harlem, City of	Water	750,000	750,000	3,596,087
8	Jordan, Town of	Wastewater	700,000	700,000	4,296,087
9	Thompson Falls, City of	Water	363,000	363,000	4,659,087
10	Twin Bridges, Town of	Wastewater	750,000	750,000	5,409,087
11	Seeley Lake – Missoula Co. Water District	Water	750,000	750,000	6,159,087
12	Fergus Co.	Bridge	238,362	238,362	6,397,449
13	Sunny Meadows Missoula Co. Water & Sewer District	Water	325,000	325,000	6,722,449
14	Tri County Water District	Water	313,500	313,500	7,035,949
15	Blaine Co.	Bridge	617,017	617,017	7,652,966
18	Loma Co. Water & Sewer District	Water	750,000	750,000	8,402,966
17	Ekalaka, Town of	Water & Wastewater	706,369	706,369	9,109,335
17	Stillwater Co.	Bridge	407,500	407,500	9,516,835
19	Shendan, Town of	Wastewater	750,000	750,000	10,266,835
20	Carter-Chouteau Co. Water & Sewer District	Water	750,000	750,000	11,016,835
21	Bigfork Co. Water/Sewer District	Wastewater	750,000	750,000	11,766,835
22	Dayton/Lake Co. Water & Sewer District	Wastewater	750,000	750,000	12,516,835
23	Judith Basin Co.	Bridge	192,215	192,215	12,709,050
23	Pinesdale, Town of	Water	750,000	750,000	13,459,050
25	Power-Teton Co. Water & Sewer District	Water	604,286	604,286	14,063,336
26	Superior, Town of	Water	600,000	600,000	14,663,336
27	RAE Subdivision County Water and Sewer District No. 313	Water	750,000	750,000	15,413,336
28	Jefferson Co	Bridge	295,800	295,800	15,709,136
29	Fort Benton, City of	Stormwater	750,000	750,000	16,459,136
30	Laurel, City of	Wastewater	750,000	750,000	17,209,136
31	Yellowstone Co.	Bridge	97,079	97,079	17,306,215
32	Neihart, Town of	Water	223,000	223,000	17,529,215
33	Three Forks, City of	Wastewater	750,000	750,000	18,279,215
34	Manhattan, Town of	Water	750,000	750,000	19,029,215

Treasure State Endowment Program

Table F-3 (Continued)
TSEP Applicants and the Amount of Dollars Recommended

Rank ¹	Applicant	Type of Project	Amount Requested	Proposed Grant Award ²	Cumulative Proposed Award
35	Cut Bank, City of	Water	550,000	550,000	19,579,215
36	Whitehall, Town of	Wastewater	750,000	750,000	20,329,215
37	Crow Tribe for Crow Agency	Wastewater	750,000	750,000	21,079,215
38	Big Sandy, Town of	Wastewater	750,000	750,000	21,829,215
39	Fairfield, Town of	Wastewater	750,000	750,000	22,579,215
39	Hamilton, City of	Wastewater	750,000	750,000	23,329,215
41	Shelby, City of	Water	750,000	750,000	24,079,215
41	Whitefish, City of	Wastewater	750,000	750,000	24,829,215
43	Panoramic Heights and Mountain Riverheights Co. Water District	Water	191,500	191,500	25,020,715
44	Custer County	Bridge	63,750	63,750	25,084,465
45	Brady Co. Water District	Wastewater	750,000	750,000	25,834,465
46	Elk Meadows Ranchettes Water District	Water	410,000	410,000	26,244,465
47	Gallatin Co. for Hebgen Lake	Wastewater	750,000	750,000	26,994,465
48	Polson, City of	Water	750,000	750,000	27,744,465
49	Darby, Town of	Water	750,000	750,000	28,494,465
50	Goodan Keil Co. Water District	Water	532,250	532,250	29,026,715
51	Butte-Silver Bow	Water	750,000	750,000	29,776,715
52	Columbia Falls, City of	Wastewater	750,000	750,000	30,526,715
53	Mineral Co./Saltese Water & Sewer District	Wastewater	750,000	390,000	30,916,715
54	Red Lodge, City of	Water	750,000	750,000	31,666,715
55	Black Eagle Cascade County Water & Sewer District	Water	365,000	365,000	32,031,715
56	North Valley Co. Water & Sewer District	Water	750,000	750,000	32,781,715
57	Missoula Co. for Lolo	Wastewater	750,000	0	32,781,715
Total			33,891,715	32,781,715	32,781,715

¹ Some projects have the same rank number indicating they tied

² The amount recommended if there are sufficient monies to fund the project. Under current law, it is projected that about \$17.3 million in net endowment interest will be available for TSEP grant awards for the 2009 biennium. Based on the net endowment interest projected to be available for TSEP grant awards for the 2009 biennium, the first 31 projects could be funded.

Reclamation and Development Grant Program

Purpose - The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana for the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction, and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

Executive Recommendation -

- **Volume 5 of the Governor's 2009 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP.
- **HB 7** presents the reclamation and development grant recommendations, which total \$5,196,500 for the 17 projects for which funding is recommended.
- Statutorily required priorities include \$600,000 for the Montana Board of Oil and Gas and \$800,000 in abandoned mines reclamation.
- Representative mineral reclamation projects include reclamation and cleanup of the Snowshoe, Bald Butte, and Landusky mines, and numerous oil and gas well plugging and abandonment projects.
- Non-mineral projects include the rehabilitation of St. Mary diversion structures and hydrologic assessment of the Smith River watershed.
- Also included is a \$1 million request for planning grant funding.

Since the Last Session -

- During the interim, DNRC contracted with 15 of the 17 funded grants. These projects are progressing with particular success from the Board of Oil and Gas in properly plugging and abandoning shut in wells that have been taken over as a responsibility of the state.

Reclamation and Development Grant Program

Table F-4

2009 Biennium Reclamation and Development Grants

RANK	APPLICANT	AMOUNT REQUESTED	AMOUNT RECOMMENDED	CUMULATIVE AMOUNT
1	MT Board of Oil and Gas Conservation 2007 Southern District Orphaned Well Plug and Abandonment, and Site Restoration	\$300,000	\$300,000	\$300,000
2	MT Board of Oil and Gas Conservation 2007 Northern District Orphaned Well Plug and Abandonment, and Site Restoration	\$300,000	\$300,000	\$600,000
3	MT Department of Environmental Quality Snowshoe Mine Reclamation Project	\$300,000	\$300,000	\$900,000
4	MT Department of Environmental Quality Bald Butte Mine and Millsite Reclamation Project	\$300,000	\$300,000	\$1,200,000
5	MT Department of Natural Resources and Conservation St. Mary Facilities Rehabilitation	\$300,000	\$300,000	\$1,500,000
6	Powell County Milwaukee Roundhouse Voluntary Cleanup	\$285,380	\$286,000	\$1,786,000
7	MT Department of Natural Resources and Conservation Reliance Refinery	\$300,000	\$300,000	\$2,086,000
8	Central Montana Water Authority Utica Well 2	\$300,000	\$300,000	\$2,386,000
9	MT Board of Oil and Gas Conservation Southern District Tank Battery Cleanup	\$300,000	\$300,000	\$2,686,000
10	Meagher County CD Hydrologic Investigation of the Smith River Watershed	\$218,700	\$300,000	\$2,986,000
11	MT Department of Environmental Quality Belt Acid Mine Drainage Mitigation	\$300,000	\$282,000	\$3,268,000
12	MT Department of Environmental Quality Swift Gulch Placer Tailings and Wetland Establishment	\$300,000	\$150,000	\$3,418,000
13	Broadwater CD Whites Gulch Reclamation Fish Barrier Project	\$24,500	\$24,500	\$3,442,500
14	MT Department of Environmental Quality Landusky Mine – Characterization of Surface Water/Groundwater Interactions in Swift Gulch and the Adjacent Landusky Pit Complex	\$300,000	\$300,000	\$3,742,500
15	Big Horn CD Montana Regional Coalbed Methane	\$157,659	\$160,000	\$3,902,500
16	Gallatin Local Water Quality District Assessment and Distribution of Pharmaceuticals	\$293,765	\$294,000	\$4,196,500
	TOTAL	\$4,280,004	\$4,196,500	\$4,196,500

Renewable Resource Grant and Loan Program

Purpose - The Renewable Resource Grant and Loan Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6, MCA. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility covers a wide spectrum including irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

Executive Recommendation -

- **Volume 6 of the Governor's 2009 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table -- below shows the recommended projects.
- **HB 6** presents the renewable resource grants recommendations for legislative action.
- Grant funding is limited to \$5.9 million and would provide funding for the first 51 of the 80 applications.
- Funding is recommended in the bill for 77 projects, in order of priority, for a total of \$7.6 million, in keeping with the DNRC policy of including all projects that meet minimum technical and financial feasibility requirements.
- The highest priority grant will be to the Green Mountain Conservation District for a stream restoration project on Crow Creek.
- Other projects include the Ackley Lake Dam rehabilitation project and other dam rehabilitation, watershed restoration projects, irrigation rehabilitation projects, groundwater studies, numerous proposals for municipal water and sewer systems and a proposal for a renewable energy project and a forestry project.
- **HB 6** recommends provision of \$100,000 in emergency grants to communities for projects that present immediate threats to public health. \$800,000 is also recommended for project planning grants and irrigation grants.
- **HB 8** presents the renewable resource bonds and loans recommendations from applications that total \$3,650,000 in new requests.

Since the Last Session -

- As of October 2006, the DNRC entered into grant agreements with 40 of the 47 grantees that received appropriations from the 59th Legislature for a total of \$3,834,034 approved to date.
- This biennium, there have been no emergency grants awarded to date.
- Thirty three project planning grants were issued.
- Nineteen private grants were issued for a total of \$42,382.

Renewable Resource Grant and Loan Program

Table F-5
2009 Biennium Renewable Resource Program

Ranked Order	Project Sponsor/ Project Name	Recommended Grant Funding	Cumulative Recommended	Recommended Loan Funding
1	Green Mountain Conservation District Crow Creek Restoration Project	\$70,599	\$70,599	
2	Twin Bridges, Town of Twin Bridges Wastewater System Improvements	\$100,000	\$170,599	
3	Fort Peck Tribes Fort Peck D-4 Drain Water Conservation Improvements	\$100,000	\$270,599	
4	North Powell Conservation District Blackfoot Drought and Water Conservation Project	\$84,347	\$354,946	
5	Bainville, Town of Bainville Wastewater System Improvements	\$100,000	\$454,946	
6	Petrolia Irrigation District Petrolia Irrigation Rehabilitation Project	\$100,000	\$554,946	
7	Montana Department of Natural Resources and Conservation Ackley Lake Dam Rehabilitation	\$100,000	\$654,946	\$200,000
8	Cut Bank, City of Cut Bank Water System Improvements	\$100,000	\$754,946	
9	Whitehall, Town of Whitehall Wastewater System Improvements	\$100,000	\$854,946	
10	Montana Department of Natural Resources and Conservation East Fork Siphon Replacement and Main Canal Lining Project	\$100,000	\$954,946	\$400,000
11	Loma County Water and Sewer District Loma Water System Improvements	\$100,000	\$1,054,946	
12	Panoramic Mountain River Heights County Water District Panoramic Mountain River Heights Water System Improvements	\$100,000	\$1,154,946	
13	Montana Department of Natural Resources and Conservation Smith Creek Canal Seepage Abatement and Rehabilitation Project	\$100,000	\$1,254,946	\$50,000
14	Goodan-Keil County Water District Goodan-Keil Water Improvement Project	\$100,000	\$1,354,946	
15	Montana Department of Natural Resources and Conservation Middle Creek Dam Automated Instrumentation	\$100,000	\$1,454,946	
16	Polson, City of Polson Water System Improvements	\$100,000	\$1,554,946	
17	Hill County Beaver Creek Dam Seepage Control Berm	\$100,000	\$1,654,946	
18	Gallatin County, Hebgen Lake Estates RID 322 Hebgen Lake Wastewater System Improvements	\$100,000	\$1,754,946	
19	Three Forks, City of Three Forks Wastewater System Improvements	\$100,000	\$1,854,946	
20	Mineral County Saltese Water and Sewer District Saltese Wastewater System Improvements	\$100,000	\$1,954,946	

Renewable Resource Grant and Loan Program

Table F-5, Cont.
2009 Biennium Renewable Resource Program

Ranked Order	Project Sponsor/ Project Name	Recommended Grant Funding	Cumulative Recommended	Recommended Loan Funding
	Carbon Conservation District			
21	Phase I Hydrogeology and Water Balance of the East/West Bench Aquifers	\$100,000	\$2,054,946	
	Fergus County Conservation District			
22	Upper and Lower Carter Pond Dam Reconstruction	\$100,000	\$2,154,946	
	Brady County Water and Sewer District			
23	Brady Wastewater System Improvements	\$100,000	\$2,254,946	
	Beaverhead Conservation District			
24	Big Hole Ditch Improvement Project	\$100,000	\$2,354,946	
	Superior, Town of			
25	Superior Water System Improvements	\$100,000	\$2,454,946	
	Sunny Meadows Missoula County Water and Sewer District			
26	Sunny Meadows Water System Improvements	\$100,000	\$2,554,946	
	Tri County Water and Sewer District			
27	Tri County Water System Improvements	\$100,000	\$2,654,946	
	Philipsburg, Town of			
28	Philipsburg Wastewater System Improvements	\$100,000	\$2,754,946	
	Fort Peck Tribes			
29	58 Main Structure Replacement for Water Management	\$100,000	\$2,854,946	
	Sanders County			
30	Eliminating Failed Septic Systems in Sanders County	\$100,000	\$2,954,946	
	Malta Irrigation District			
31	Dodson North Canal Regulating Reservoir	\$100,000	\$3,054,946	
	Red Lodge, City of			
32	Red Lodge Water System Improvements	\$100,000	\$3,154,946	
	Elk Meadows Ranchettes County Water District			
33	Elk Meadows Water System Improvements	\$100,000	\$3,254,946	
	Rae Water and Sewer District			
34	Rae Water System Improvements	\$100,000	\$3,354,946	
	Stillwater Conservation District			
35	Stillwater-Rosebud Water shed, Surface Water/Groundwater Interaction	\$100,000	\$3,454,946	
	East Bench Irrigation District			
36	East Bench Irrigation District Canal Lining	\$100,000	\$3,554,946	
	Dayton Lake County Water and Sewer District			
37	Dayton Wastewater System Improvements	\$100,000	\$3,654,946	
	Milk River Irrigation Project Joint Board of Control			
38	Saint Mary Canal, Halls Coulee Drop 3, Plunge Pool Concrete Repair	\$100,000	\$3,754,946	
	Yellowstone Conservation District			
39	Modeling Aquifer Response to Urban Sprawl, West Billings Area	\$60,000	\$3,814,946	
	Ravalli County			
40	Floodplain Hazard Mapping, and Land-Use Planning for Ravalli County	\$100,000	\$3,914,946	

Renewable Resource Grant and Loan Program

Table F-5, Cont. 2009 Biennium Renewable Resource Program				
Ranked Order	Project Sponsor/ Project Name	Recommended Grant Funding	Cumulative Recommended	Recommended Loan Funding
41	North Valley County Water and Sewer District North Valley County Water System Improvements	\$100,000	\$4,014,946	
42	Sheridan, Town of Sheridan Wastewater System Improvements	\$100,000	\$4,114,946	
43	Neihart, Town of Neihart Water System Improvements	\$100,000	\$4,214,946	
44	Greenfields Irrigation District Muddy Creek Wastewater and Erosion Reduction Project	\$100,000	\$4,314,946	
45	Bynum Teton County Water and Sewer District A New Source of Drinking Water for Bynum, Phase 1	\$100,000	\$4,414,946	
46	Whitefish, City of Whitefish Wastewater System Improvements	\$100,000	\$4,514,946	
47	Power Teton County Water and Sewer District Power Teton Water System Improvements	\$100,000	\$4,614,946	
48	Sidney Water Users Irrigation District Sidney Water Users Increasing Irrigation Efficiency Phase 2	\$100,000	\$4,714,946	
49	Jordan, Town of Jordan Wastewater System Improvements	\$100,000	\$4,814,946	
50	Beaverhead County Blacktail Deer Creek Flood Mitigation Project	\$100,000	\$4,914,946	
51	Seeley Lake Missoula County Water District Seeley Lake Water System Improvements	\$100,000	\$5,014,946	
52	Manhattan, Town of Manhattan Water System Improvements	\$100,000	\$5,114,946	
53	Lewis and Clark County Lewis and Clark Fairgrounds, Dunbar Area Water System Improvements	\$100,000	\$5,214,946	
54	Columbia Falls, City of Columbia Falls Wastewater System Improvements	\$100,000	\$5,314,946	
55	Hamilton, City of Hamilton Wastewater System Improvements	\$100,000	\$5,414,946	
56	Hysham Irrigation District Hysham Irrigation District Infrastructure Improvement	\$100,000	\$5,514,946	
57	Shelby, City of Shelby Water System Improvements	\$100,000	\$5,614,946	
58	Montana Department of Natural Resources and Conservation Community Tree Planting Grants	\$100,000	\$5,714,946	
59	Ronan, City of Ronan Wastewater system Improvements	\$100,000	\$5,814,946	
60	Pondera County Conservation District Marias River Watershed Baseline Assessment	\$100,000	\$5,914,946	

Renewable Resource Grant and Loan Program

Table F-5, Cont. 2009 Biennium Renewable Resource Program				
Ranked Order	Project Sponsor/ Project Name	Recommended Grant Funding	Cumulative Recommended	Recommended Loan Funding
61	Sheridan County Raymond Dam Rehabilitation	\$100,000	\$6,014,946	
62	Montana Department of Environmental Quality Geothermal Assessment and Outreach Partnership	\$99,963	\$6,114,909	
63	Thompson Falls, City of Thompson Falls Water System Improvements	\$100,000	\$6,214,909	
64	Missoula County Lolo RSID 901 Lolo Wastewater System Improvements, Phase 2	\$100,000	\$6,314,909	
65	Chester Irrigation District Chester Irrigation Project: Phase 2, Water Service Contract Application	\$100,000	\$6,414,909	
66	Pinesdale, Town of Pinesdale Water System Improvements	\$100,000	\$6,514,909	
67	Ekalaka, Town of Ekalaka Water and Wastewater System Improvements	\$100,000	\$6,614,909	
68	Sweet Grass Conservation District West Boulder Point of Diversion Rehabilitation Project	\$44,500	\$6,659,409	
69	Livingston, City of Glass Pulverizer for the City of Livingston	\$100,000	\$6,759,409	
70	Montana State University Channel Response Assessment for the Upper Blackfoot	\$100,000	\$6,859,409	
71	Darby, Town of Darby Water System Improvements	\$100,000	\$6,959,409	
72	Sunburst, Town of Sunburst Backup Water Supply Wells	\$99,236	\$7,058,645	
73	Geyser Judith Basin County Water and Sewer District Geyser Water System Improvements	\$100,000	\$7,158,645	
74	Black Eagle Water and Sewer District Black Eagle Water System Improvements	\$100,000	\$7,258,645	
75	Glacier County Conservation District Marias River Bridge Road Stabilization	\$100,000	\$7,358,645	
76	Buffalo Rapids Project, District 2 Open Lateral Conversion to Pipeline	\$100,000	\$7,458,645	
77	Buffalo Rapids Project, District 1 Open Lateral 34.5 Conversion to Pipeline	\$100,000	\$7,558,645	

Cultural and Aesthetic Grant Program

Purpose - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society, the C&A program was transferred to the Montana Arts Council in the 1985 biennium and continued to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the Montana Arts Council and half by the Montana Historical Society.

About two-thirds of the projects are arts projects and one-third are history and other cultural projects.

Executive Recommendation -

- Volume 6 of the Governor's 2009 biennium Executive Budget contains the C&A project applications and advisory committee assessment information.
- Last session, \$3.4 million of the \$3.9 million taken from the trust in the 1997 session to purchase Virginia City was restored. This budget provides the \$500,000 necessary to repay the trust for Virginia City plus an additional \$1.0 million increase to the trust fund so that interest income for grants will be higher.
- HB 9 contains the projects recommended by the advisory committee for funding in the amount of \$698,770.
- The revenue estimate for cultural trust interest earnings for the 2009 biennium is \$1.146 million.
- Montana Arts Council administration and services are recommended for \$391,918 and appropriated in House Bill 2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.

Language Recommendation -

The following language will be included in the introduced version of **HB 9**:

Fund transfer. At the beginning of fiscal year 2008, the amount of \$1.5 million is transferred from the state general fund to the cultural and aesthetic projects trust fund established in 15-35-108 for the purpose of protection of the works of art in the capitol and for other cultural and aesthetic projects.

Cultural and Aesthetic Grant Program

Table F-6 2009 Biennium Cultural Trust Applications & Recommendations				
<u>Grant No.</u>	<u>Organization Name</u>	<u>Request</u>	<u>Rank</u>	<u>Recommend</u>
<u>Special Project < \$4500</u>				
1207	Signatures from the Big Sky	\$4,500.00	1	\$4,500
1202	Flathead Valley Community College	\$4,500.00	2	\$2,000
1205	Miles City Speakers Bureau	\$4,500.00	3	\$4,000
1208	Valley County Historical Museum	\$4,495.00	4	\$4,000
1200	Council for the Arts, Lincoln	\$2,500.00	5	\$2,500
1204	Metropolitan Opera National Council	\$4,000.00	6	\$1,000
1203	Garnet Pres / Garnet Ghost Town	\$4,500.00	7	
1206	Show Case Writer's Guild	\$4,500.00	8	
1201	Crazy Mountain Museum	\$4,300.00	9	
1209	Wholesome Entertainment Productions	\$4,500.00	10	
<u>Special Project</u>				
1228	Montana Committee for the Humanities	\$75,000.00	1	\$22,000
1224	Helena Symphony Orchestra and Chorale	\$35,000.00	2	\$10,000
1236	Pondera History Association	\$20,462.00	3	\$10,000
1239	Western Heritage Center	\$24,300.00	4	\$10,000
1225	KUFM-TV, Montana PBS	\$26,950.00	5	\$10,000
1213	Butte Citizens for Pres & Revitalization	\$19,920.00	6	\$10,000
1229	Montana Historical Society	\$26,170.00	7	\$7,000
1240	Yellowstone Chamber Players	\$11,270.00	8	\$6,000
1217	CoMotion Dance	\$20,000.00	9	\$10,000
1222	Glacier Symphony & Chorale	\$15,271.00	10	\$7,000
1232	Montana Performing Arts Consortium	\$40,300.00	11	\$15,000
1231	Montana Museum of Art & Culture	\$17,000.00	12	\$5,000
1234	Montana Shakespeare Co/Artists Group	\$17,000.00	13	\$6,000
1219	Emerson Cultural Center	\$23,520.00	14	\$7,000
1227	Montana Alliance for Arts Ed	\$10,000.00	15	\$5,000
1220	Equinox Theatre Company	\$50,000.00	16	\$8,000
1216	Children's Museum of Bozeman	\$16,000.00	17	\$5,000
1226	Missoula Art Museum	\$21,043.00	18	\$5,000
1210	Alpine Artisans	\$16,300.00	19	\$6,000
1223	Headwaters Dance Co	\$30,000.00	20	\$5,000
1241	Yellowstone Historic Center	\$60,000.00	21	\$8,000
1238	VIA's, Inc	\$23,500.00	22	
1212	Billings Cultural Partners - Skinner/Benoit LLC	\$10,000.00	23	
1233	Montana Poetry Project	\$28,082.00	24	
1221	Florence Prever Rosten Fnd for the Media Arts	\$20,000.00	25	
1237	Prairie County Economic Dev Council	\$27,390.00	26	

Cultural and Aesthetic Grant Program

Table F-6, cont.				
2009 Biennium Cultural Trust Applications & Recommendations				
Grant No.	Organization Name	Request	Rank	Recommend
1211	Big Sky Repertory Theatre	\$90,000.00	27	
1214	Buttenik Ensemble/ Covellight Thtr	\$18,472.00	28	
1235	Pilgrim Congregational Church	\$12,000.00	29	
1230	Montana Historical Society	WITHDRAWN NOT RANKED		
1215	Butte-Silver Bow Public Library	WITHDRAWN NOT RANKED		
<u>Operational Support</u>				
1267	Montana Art Gallery Director's Assoc	\$40,000.00 SSO1		\$15,000
1276	Museums Association of Montana	\$30,000.00 SSO2		\$10,000
1270	Montana Assoc of Symphony Orchestras	\$22,600.00 SSO3		\$5,000
1269	Montana Arts	\$31,000.00 SSO4		\$10,000
1272	Montana Dance Arts Association	\$17,000.00 SSO5		\$5,000
1253	Custer County Art & Heritage Center	\$32,000.00	1	\$15,000
1285	Schoolhouse History & Art Center	\$28,117.00	2	\$14,000
1242	Alberta Bair Theater	\$50,000.00	3	\$14,000
1248	Bozeman Symphony Society	\$20,000.00	4	\$11,000
1244	Art Mobile of Montana	\$30,000.00	5	\$14,000
1286	Shakespeare in the Parks	\$40,000.00	6	\$15,000
1259	Hockaday Museum of Art	\$38,500.00	7	\$14,000
1257	Great Falls Symphony Association Inc	\$28,000.00	8	\$9,000
1273	Montana Preservation Alliance	\$40,000.00	9	\$13,000
1293	Yellowstone Art Museum	\$78,000.00	10	\$9,000
1280	Paris Gibson Sq Museum of Art	\$65,030.00	11	\$13,000
1278	Myrna Loy Center	\$33,000.00	12	\$9,000
1249	Butte Center for the Performing Arts	\$32,000.00	13	\$12,000
1264	Missoula Children's Theatre	\$40,000.00	14	\$10,000
1260	Holter Museum of Art	\$60,000.00	15	\$12,000
1252	Carbon County Historical Society	\$30,000.00	16	\$11,000
1256	Grandstreet Theatre/Broadwater Productions	\$34,500.00	17	\$12,000
1274	Montana Repertory Theatre	\$20,000.00	18	\$10,000
1287	Southwest Montana Arts Council	\$17,630.00	19	\$8,000
1243	Archie Bray Foundation	\$50,000.00	20	\$10,000
1266	Montana Ag Center & Museum	\$24,000.00	21	\$8,000
1290	Whitefish Theatre Company	\$28,000.00	22	\$10,000
1255	Pioneer Museum/ Gallatin Hist Museum	\$14,000.00	23	\$5,000
1288	Vigilante Theatre Company	\$10,000.00	24	\$8,000
1292	Writer's Voice (Billings YMCA)	\$40,000.00	25	\$12,000
1251	Carbon County Arts Guild	\$20,000.00	26	\$7,000
1281	Pondera Arts Council	\$20,000.00	27	\$5,000
1282	Rimrock Opera Company	\$25,000.00	28	\$10,000
1247	Billings Symphony Society	\$25,000.00	29	\$8,000
1283	Rocky Mountain Ballet Theater	\$35,315.00	30	\$7,000

Cultural and Aesthetic Grant Program

Table F- 6, cont. 2009 Biennium Cultural Trust Applications & Recommendations				
<u>Grant No.</u>	<u>Organization Name</u>	<u>Request</u>	<u>Rank</u>	<u>Recommend</u>
1250 Butte Symphony Association		\$25,000.00	31	\$8,000
1246 Big Horn Arts & Crafts Association		\$30,000.00	32	\$7,000
1289 VSA arts of Montana		\$12,000.00	33	\$6,000
1271 Montana Ballet Company		\$25,000.00	34	\$5,000
1291 World Museum of Mining		\$22,000.00	35	\$8,000
1279 NW MT Hist Soc/ Mus at Central Sch		\$36,000.00	36	\$5,000
1263 Mission Valley Friends of the Arts		\$11,920.00	37	\$4,000
1294 Young Audiences of Western MT		\$10,000.00	38	\$6,000
1245 Artisan Dance		\$50,000.00	39	\$4,000
1258 Hamilton Players, Inc		\$35,350.00	40	\$6,000
1275 Museum of the Rockies		\$60,000.00	41	\$6,000
1284 CM Russell Museum		\$40,000.00	42	\$9,000
1261 Intermountain Opera		\$33,450.00	43	\$8,000
1254 District 7 HRDC Growth Thru Art		\$40,000.00	44	\$8,000
1262 Miles City Preservation Comm		\$5,080.00	45	\$2,270
1268 Montana Artists Refuge		\$13,260.00	46	
1277 Musikanten Montana		\$16,000.00	47	
1265 Missoula Writing Collaborative		\$73,920.00	48	
<u>Capital Expenditure</u>				
1295 Butte-Silver Bow Public Archives		\$25,000.00	1	\$15,000
1300 Mai Wah Society/ Museum		\$30,000.00	2	\$17,500
1297 City of Shelby		\$45,000.00	3	\$8,000
1303 Yellowstone Ballet Company		\$3,000.00	4	\$3,000
1302 TVIA -Board of Arts		\$10,000.00	5	\$8,000
1299 Lewis & Clark Interpretive Center Foundation		\$28,000.00	6	
1301 Missoula Community Performing Arts Center		\$50,000.00	7	
1298 Friends of Wedsworth Memorial Library		\$16,473.00	8	
1296 City of Helena		\$11,525.00	9	
1218 Darby Public Library		\$10,000.00	10	
TOTAL REQUESTED/RECOMMENDED		\$2,763,915.00		\$698,770.00

State Buildings Energy Conservation Program

Purpose - The State Buildings Energy Conservation Program, operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

Background

- The state has sold general obligation (G.O.) bonds, uses the bond proceeds to pay for energy efficiency improvements, then uses the resulting energy cost savings to pay the debt service on the bonds.
- Projects are designed so the cost savings exceed the debt service.
- Energy efficiency improvements include replacing old, inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- After energy improvements are in place, the DEQ provides on-going training and technical assistance to facility staff to ensure that energy savings are maintained.
- A portion of the proceeds from each bond issuance is set aside to fund analysis, design, and program administration for the next round of projects so the program is able to continue without additional federal or state funding.

Since the Last Session

The program has issued \$14.75 million total in general obligation bonds to fund projects and operate the program. \$6.25 million has been issued since May 2005 which was the maximum bond authority of the 2005 and 2007 biennia.

Executive Recommendation -

- HB 12 recommends using revenue bonds or an InterCap loan not to exceed \$6.0 million for projects during the 2009 biennium.
- HB 12 will add clarification to the statute to allow the program to consider alternative energy and water conservation projects that do not necessarily save energy but do save money.
- 21 projects are in design, development or construction. Many of these projects are coordinated with the Architect & Engineering Division, which is responsible for the Long-Range Building Program.
- The following projects are recommended for approval in HB 12:
 - (a) incremental costs for energy efficiency features in new construction at Montana state university college of technology, Great Falls;
 - (b) incremental costs for energy efficiency features in new construction at Montana state university college of technology, Billings;
 - (c) improvements to boilers in the Xanthopoulos building and improvements to geothermal utilization on campus at Montana state hospital, Warm Springs,;
 - (d) integration of renewable energy systems into the dairy and laundry facilities at Montana correctional enterprises, Montana state prison, Deer Lodge;
 - (e) utilization of geothermal resources at new mining and geology building, Montana tech of the university of Montana, Butte;
 - (f) boiler/chiller upgrades and improvements, Montana school for the deaf and blind, Great Falls;
 - (g) incremental costs for energy efficiency features in new construction at university of Montana college of technology, Helena;
 - (h) energy and water conservation project on auxiliary buildings at university of Montana, Dillon;
 - (i) improvements to the heating, ventilation, and air conditioning system at the music building, university of Montana, Missoula;
 - (j) incremental costs for energy efficiency features for heating, ventilation, and air conditioning upgrade at Montana veterans' home, Columbia Falls; and
 - (k) other projects that arise which will afford energy savings opportunities.

Consolidated Information Technology Projects

Purpose –

LC 712 represents a significant change in the method of funding large information technology (IT) investments in a number of important respects.

First, the bill is structured similar to the long range building program to recognize that IT investments provide critical infrastructure, much like an office building or dam - for the provision of state services, the conduct of state government affairs and to allow citizens to more fully participate in decision making. Building IT systems can be as complex as building a new office building. Significant planning, design and management efforts are necessary for a successful project. LC 712 removes the time pressure that can result in hasty decisions and poorly performing projects by providing continuing budget authority.

Second, the structure of the bill reinforces the authority and statutory responsibilities of the state chief information officer established in the Montana Information Technology Act (MITA). Most of the appropriations contained in the bill are made to the state chief information officer (CIO) through the Department of Administration. By directly controlling the appropriations, the CIO can establish project benchmarks that must be completed before additional funds are released. This helps ensure projects are managed effectively to maximize success and creates greater partnerships between agencies and the state CIO.

Finally, a goal of the bill is to give the legislature and policy makers a broad vision of information technology in state government as all major investments will be focused on in one bill.

Background - Consistent with the Montana Information Technology Act (MITA) the Executive recommends the establishment of a long-range building bill that contains the major information technology systems proposed in the next legislature. LC712 contains most agency information technology projects in excess of \$2 million are contained in the bill rather than traditional HB2 funding.

Executive Recommendation –

The following provides a brief description of the IT projects included in LC 712:

Department of Public Health and Human Services:

Replace current Child and Adult Protective Services System

The Child Protective Services (CAPS) system is an automated social services information system covering all major program areas of child protection, juvenile corrections and probation. CAPS is significantly outdated and many functions are currently being performed outside the system, causing inconsistencies, and leaving room for errors. The new system will provide accurate and timely assistance to Montanans. Total cost of this system will be \$27,150,000, 56 percent general fund and 44 percent federal funds.

Replace current Food Stamp and TANF Eligibility Systems (currently TEAMS serves both)

The Economic Assistance Management System (TEAMS) is significantly outdated and does not meet the needs of the users. Currently many of the eligibility functions are performed manually on spreadsheets outside the system by the eligibility workers, leaving room for errors and inconsistency. The new system will improve service to clients, allow changes and enhancements to be made quickly and at a lower cost and will produce more accurate and efficient Federal reporting. Total cost of the TANF system will be \$16.2 million; 47 percent general fund and 53 percent federal funds. Total cost of the Food Stamp system will be \$13.1 million; 50 percent general fund and 50 percent federal funds.

Update Medicaid Disease Codes

ICD-10 is the new procedure and diagnosis code set for Medicaid Management Information System for federal coding and reporting that will completely replace the current system known as the International Classification of Diseases-9-Clinical Modification (ICD-9-CM) Implementation of

Consolidated Information Technology Projects

ICD-10 is mandated by the federal Medicaid Agency (CMS). Total cost will be \$3 million, with 90 percent of funding coming from the federal government.

CHIMES

CHIMES is the new Medicaid eligibility determination system which replaces the Medicaid functionality in the current TEAMS system. Medicaid is the first of the three eligibility determination modules in TEAMS (Medicaid/TANF/Food Stamps) to be replaced. CHIMES will be nearing completion by July 1, 2007. This request for \$1.1 million (50 percent general fund, 50 percent federal funds) is for the funding required to bring CHIMES to completion.

Department of Administration:

Northern Tier Network Expansion – The Information Technology Services Division is requesting an appropriation of \$7,823,000 general fund to expand of the state's SummitNet network to provide greater capacity for voice, video and data traffic. The project consists of two major initiatives. The Northern Tier portion provides funding for the equipment and maintenance needed to light two high capacity fiber optic lines through the I-90 corridor with drop-off points in major Montana cities on the route. The project is part of a national consortium's efforts to create a high-speed network from Seattle to Chicago using donated dark fiber throughout the route.

The second initiative funds a number of improvements to the existing SummitNet network. The funding is to establish a redundant Core Network Infrastructure (foundation) that provides multiple failover points in the network to ensure connectivity of critical services, to upgrade the Capitol Complex Fiber backbone to support high speed, fault tolerant services between buildings on the Complex and to upgrade the services and bandwidth to remote offices throughout the state.

Statewide E911 Network - The Information Technology Services Division is requesting an appropriation of \$4,000,000 general fund to support the multi-year build-out of the statewide E9-1-1 network and the continued development of a state-of-the-art 9-1-1 system. The funding request will be used to provide wireless public safety position determining equipment on the Statewide Network in order to provide the location of 9-1-1 calls made from wireless devices and to provide four additional Public Safety Answering Points.

Public Safety Radio Consortium -- The Information Technology Services Division is requesting a general fund appropriation of \$5,000,000 to support the multi-year build-out of the Interoperability Montana wireless public safety radio system. The funding will permit additional expansion of key public safety radio sites throughout the state and provide limited equipment for local law enforcement, fire and EMS to use the networked communication system. The funding will also provide State "maintenance of effort" funding to help ensure future federal project support.

Public Safety Radio Interoperability MT -- The Information Technology Services Division is requesting a one-time-only general fund appropriation of \$3,500,000 in FY 2009 to support the deployment of a second, redundant controller and transmission system for the Interoperability Montana wireless public safety radio system. The funding will permit the purchase of additional controlling infrastructure to be placed in the eastern portion of Montana to serve as a backup to main controller in Helena. In addition, digital microwave infrastructure needed to connect the two controllers will be upgraded to meet the needs of this equipment.

Judicial Branch:

Court Technology Improvements

This proposal seeks funding to continue the Judicial Branch's efforts to modernize Montana courts in a manner that meets the unique needs of the Judicial Branch while at the same time conforms to State of Montana information technology standards. This \$3,935,000 general fund will provide court technology improvement projects: case management improvements and court room technology improvements. This project relies heavily on the State's telecommunications network - SummitNet II and the State's document and content management system "FileNet." These costs are included in the proposal.



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION IT: INFORMATION TECHNOLOGY SUMMARY



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Information Technology Recommendations

Introduction - Information technology budget recommendations are extracted from the total budget and presented separately in this section. This portion of the Executive Budget is based on the requirements of **17-7-123(1), MCA**:

"Form of executive budget. The budget submitted must set forth a balanced financial plan for funds subject to appropriation....The base level plan must consist of:

- (e) a statement containing recommendations of the governor for the ensuing biennium by program and disbursement category, including:
- (iii) a summary of budget requests that include proposed expenditures on information technology resources. The summary must include funding, program references, and a decision package reference;"

For purposes of this summary, IT is broadly defined to include approximately 80 expenditure accounts and all IT position job codes, including, for example, consulting contracts, moving a telephone for a new employee, and lease payments on computer hardware. [See Tables IT-1, IT-2, IT-3 respectively]

During the last quarter century, Montana state government agencies have deployed information technology to pursue their missions to provide various services to the citizens of the state. For the most part, the efforts of these agencies were independent of each other, sometimes resulting in a duplication of systems and hardware. The needs of citizens and state government enterprise-wide solutions were not always considered when government made investments in information technology.

State of Montana Strategic Information Technology Plan - The 2001 State Legislature recognized information technology as an enabler of government services and a critical component in state government's ability to provide appropriate services to its citizens. However, the Legislature also recognized the complex and often overwhelming nature of controlling the growth and cost of state government's IT investments. This is due to the rapid pace of technology advancement, the complexity of implementing IT solutions, and the cost of acquiring and maintaining these systems.

In July 2001, the Montana Information Technology Act (MITA) became effective. The act created the position of Chief Information Officer for the state and established guiding principles for the implementation of information technology in state government. A critical component of the act is the recognition by the Legislature and the Governor of the need for a single vision for information technology in state government. The act provides for the development of a Strategic Information Technology Plan in state government. Planning is an integral piece in establishing the foundation for well-managed deployment and use of information technology. In September 2001, the Information Technology Board, created by the act with broad representation, began the process of developing the first Strategic Information Technology Plan. The plan has been revised, updated, and improved most recently for the 2009 biennium. The State of Montana Strategic Information Technology Plan for Information Technology provides the framework and guidance for state agencies to develop and use information technology resources to provide state government services.

MITA also requires that each state agency develop a Strategic Information Technology Plan. Information from the individual agency plans, along with research and trend information, is used in the Strategic Information Technology Plan. State agency plans and projects will be summarized in a companion document published by the Department of Administration Information Technology Services Division. The summaries provide specific agency technology goals and objectives information and outline the budget requirements for implementing the plans. The act also requires the Department of Administration to review and approve the agency plans and provide oversight for the state's procurement of information technology.

The Strategic Information Technology Plan should be viewed in concert with the agency IT plans and the state's IT budget. These documents, when considered together, document the State of Montana's plans for information technology now and in the future.

Following are some significant directions given to the Office of Budget and Program Planning by the 2001 Legislature in MITA:

2-17-523, MCA: "Agency information technology plans - policy. ...(3) New investments in information technology can be included in the governor's budget only if the project is contained in the approved agency information technology plan."

2-17-526. Information technology project budget summary. (1) (a) The office of budget and program planning, in cooperation with the department, shall prepare a statewide summary of:

Information Technology Recommendations

- (i) proposed major new information technology projects contained in the state budget; and
- (ii) proposed major information technology projects impacting another state agency or branch of government to be funded within the current operating budgets, including replacement of or upgrade to existing systems.
- (b) The office of budget and program planning and the department shall jointly determine the criteria for classifying a project as a major information technology project.
- (2) The information technology project summary must include:
 - (a) a listing by institution, agency, or branch of all proposed major information technology projects described in subsection (1). Each proposed project included on the list must include:
 - (i) a description of what would be accomplished by completing the project;
 - (ii) a list of the existing information technology applications for all branches of government that may be impacted by the project;
 - (iii) an estimate, prepared in consultation with the impacted agencies, of the costs and resource impacts on existing information technology applications;
 - (iv) the estimated cost of the project;
 - (v) the source for funding the project, including funds within an existing operating budget or a new budget request; and
 - (vi) the estimated cost of operating information technology systems.
 - (b) a listing of internal service rates proposed for providing information technology services. Each internal service rate included on the list must include:
 - (i) a description of the services provided; and
 - (ii) a breakdown, aggregated by fund type, of requests included in the state budget to support the rate.
 - (c) any other information as determined by the budget director or the department or as requested by the governor or the legislature.
- (3) The information technology project summary must be presented to the legislative fiscal analyst in accordance with 17-7-111(4).

The 2005 Legislature amended MITA to require agencies report any anticipated IT projects that will have an impact on other agencies. The Office of Budget and Program Planning has surveyed state agencies and there were no reports of projects, paid either through base appropriations or new budget requests.

IT Internal Service Rate Definitions and Summary Table- The following definitions explain major account expenditures for ITSD internal service rates. Table IT-1 that follows summarizes all rate charges to agencies for information technology services.

Account 62174 (Data Network)- The purpose of ITSD's Desktop Services Rate is to support the PC on a state employee's desk and the connection that PC has to the rest of state government and the world and to provide a number of additional enterprise wide services. This rate is being separated into two different components for the FY 2009 biennium. These include a Desktop Services Fee (which includes User and Enterprise Management components) and an Access Fee. In addition, the basis for billing is changing from device-based to user-based billing. ITSD will be charging these rates to agencies for every user that has an Active Directory (AD) account on a monthly basis. The budgeted rate of \$85.75 per month for FY 2008 and \$90.50 per month for FY 2009 is assessed to all Active Directory connections.

Account 621A7 (Web Services)- This fee is designed to recover a portion of the costs, in FY 2009, incurred by ITSD to provide web services necessary to support more than 36 million web visits each year. These costs include internet services and other supporting telecommunications infrastructure, including network switching equipment and technical support staff. This rate is based on projected annual visits to agency's websites with a rate of \$0.012 per visit.

Account 62172, 62177, 62178, 62180 (Mainframe)- The purpose of these fees is to recover the costs associated with the state mainframe computing environment. These rates include BATCH, CICS, IDMS and TSO CPU processing. These rates differ by the type of CPU processing and also the time of day the processing occurs. They are charged per CPU second.

Account 62370 (Telephone Equipment)- The monthly rates associated by these charges are for the use of state telephone equipment. These charges vary based on the type of telephone set used and the features that are included.

Information Technology Recommendations

Table IT-1

2009 Biennium Information Technology Internal Service Accounts

Internal Service Cost Center	Account	Service Name	FY 2008	FY 2009
MAINFRAME	62172	BATCH CPU	\$ 1.8150	\$ 1.8150
	62180	CICS CPU	0.5290	0.5290
	62178	IDMS CPU	1.6715	1.6715
	62178	IDMS/CICS	0.5580	0.5580
	62178	IDMS/ADS	1.0336	1.0336
	62177	TSO CPU	2.2151	2.2151
	62142	DISK STORAGE	0.0109	0.0109
	62168	SYSIN READ/WRITE	0.1868	0.1868
	62168	DISK READ/WRITE	0.1868	0.1868
	62168	TAPE READ/WRITE	0.7049	0.7049
MIDTIER	62171	MIDTIER (Including Central Imaging)	7,150,131	6,954,426
PRINT	62185	LASER	0.0793	0.0793
LAN ADMIN	62175	LAN ADMINISTRATION	80.00	80.00
APP DEV	62175	APPLICATION DEVELOPMENT	84.00	84.00
DESKTOP	62174	DESKTOP SERVICE	50.75	55.50
ACCESS	62174	ACCESS FEE	35.00	35.00
VPN	62149	ISP/VPN	20.00	20.00
	62149	VPN	8.00	8.00
VIDEO	62320	VIDEO CONF / SUBSCRIPTIONS	35.00	35.00
VOICE	62370	EQUIP (Electronic Sets)	20.00	20.00
	62385	LONG DISTANCE	0.105	0.105
	62370	IVR	225.00	225.00
	62370	VOICE MAIL	5.00	5.00
	62385	MEGACOM	0.10	0.10
AISB *		E-GOV TRANSACTION FEE	-	0.012
		WEB DEVELOPMENT	84.00	84.00

* AISB is designated as "Web Services" see IT Internal Service Rates explanation above for Account 621A7

IT Project Summary Narrative – In numerical order by agency, Table IT-2 below shows those agencies with recommended projects in the 2009 biennium executive budget that increase or decrease their IT programs in excess of \$300,000 for the biennium.

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Table IT - 2

2009 Biennium Information Technology Budget Requests

Agency	Decision Package Description	General Fund	State Special Revenue	Federal Special Revenue	Proprietary Funds	Total Cost
2110 Judicial Branch	NP1002 - Information Technology - Rst/Bien/OTO	\$ 3,935,000				\$ 3,935,000
2110 Judicial Branch	PL1007 - IT Software Maintenance	\$ 521,446				\$ 521,446
3201 Secretary of State	NP2 - Agency Technology Projects				\$ 2,256,500	\$ 2,256,500
3501 Office of Public Instruction	NP6 - K12 Education Data Systems	\$ 3,458,947				\$ 3,458,947
4110 Dept of Justice	PL2905 - Additional Spending Authority for IJIS Broker		\$ 750,000			\$ 750,000
4110 Dept of Justice	PL2907 - Increase Spending Authority for CJIN Refresh		\$ 375,000			\$ 375,000
5102 Comm of Higher Education	NP1051 - Improve Transferability and Student Data OTO	\$ 1,475,000				\$ 1,475,000
5301 Dept of Environmental Quality	PL1001 - Business Process Improvement OTO	\$ 1,800,000				\$ 1,800,000
5301 Dept of Environmental Quality	PL1003 - Central Management Information Technology Grants			\$ 542,582		\$ 542,582
5401 Dept of Transportation	PL1502 - ACS Contract - Restricted		\$ 490,600			\$ 490,600
5401 Dept of Transportation	PL1509 - IT Equipment Replacement		\$ 461,122			\$ 461,122
5401 Dept of Transportation	PL1512 - IT Maintenance Costs		\$ 319,582			\$ 319,582
5706 Dept of Natural Resrcs & Cons	NP2203 - O&G Public Assess Data System IT		\$ 425,365			\$ 425,365
5706 Dept of Natural Resrcs & Cons	NP3501 - Radio Communications IT RST	\$ 514,800	\$ 265,200			\$ 780,000
5706 Dept of Natural Resrcs & Cons	PL2101 - GIS Enterprise Project IT		\$ 375,427			\$ 375,427
5706 Dept of Natural Resrcs & Cons	PL2401 - Water Resources Operating Adjustment IT	\$ 153,543	\$ 312,127			\$ 465,670
5801 Dept of Revenue	NP202 - Free Electronic Filing	\$ 6,821,404				\$ 6,821,404
5801 Dept of Revenue	PL201 - On-going System Costs	\$ 7,577,036	\$ 195,800	\$ 79,200		\$ 7,852,036
6101 Dept of Administration	NP710 - Geographic Coordinate Database (Bien)			\$ 800,000		\$ 800,000
6101 Dept of Administration	NP727 - Statewide E 911 Network (OTO Biennial)	\$ 4,000,000				\$ 4,000,000
6101 Dept of Administration	NP729 - Public Safety Radio-Consortium Funding (OTO Bien)	\$ 5,000,000				\$ 5,000,000
6101 Dept of Administration	NP730 - Public Safety Radio-Interoperability MT Funding OTO	\$ 3,500,000				\$ 3,500,000
6101 Dept of Administration	PL709 - Network & Server Investment to Provide 24/7 IT Svcs				\$ 1,864,000	\$ 1,864,000
6101 Dept of Administration	PL712 - Northern Tier Network Expansion/OTO	\$ 6,687,000				\$ 6,687,000
6401 Dept of Corrections	NP120 - Interoperable Communication Project - OTO	\$ 2,622,424				\$ 2,622,424
6401 Dept of Corrections	PL118 - MSP fiber plant upgrade OTO	\$ 376,750				\$ 376,750
6401 Dept of Corrections	PL119 - IT Service Upgrades	\$ 300,000				\$ 300,000
6901 Dept of Public Health & Human Services	NP40004 - MMIS and Mental Health Systems Analysis (BIEN/OTO)	\$ 200,000		\$ 600,000		\$ 800,000
6901 Dept of Public Health & Human Services	NP40011 - International Classification of Disease-10 CM	\$ 100,000		\$ 900,000		\$ 1,000,000
6901 Dept of Public Health & Human Services	NP90009 - New TANF Eligibility System - OTO	\$ 4,205,000		\$ 5,350,000		\$ 9,555,000
6901 Dept of Public Health & Human Services	NP90010 - New Food Stamp Eligibility System - OTO	\$ 3,485,000		\$ 3,485,000		\$ 6,970,000
6901 Dept of Public Health & Human Services	NP90011 - New Child & Adult Protective Services System - OTO	\$ 4,930,240		\$ 3,873,760		\$ 8,804,000
		\$ 61,663,590.00	\$ 3,970,223.00	\$ 15,630,542.00	\$ 4,120,500.00	\$ 85,384,855.00

JUDICIAL BRANCH (2110):

	Total Agency Impact	General Fund Total
FY 2008	\$3,935,000	\$3,935,000
FY 2009	\$	\$

NP-1002- Information Technology- Rst/Bien/OTO -

This new budget proposal seeks funding to continue the Judicial Branch's efforts to modernize Montana courts in a manner that meets the unique needs of the Judicial Branch while at the same time conforms to State of Montana information technology standards.

This one time only funding proposal of \$3,935,000 funds court technology improvement projects best characterized as "case management improvements" and "court room technology improvements." The goals of the court technology improvement project are:

Case Management Improvements:

- Complete the procurement and installation of a common case management system including a document imaging and jury management subsystem in Montana's District Courts and Courts of Limited Jurisdiction.
- Provide a single web portal and integrated system for the electronic filing of civil and criminal cases in Montana courts.

Courtroom Technology Improvements

- Maintain current technology and upgrade Montana's busiest District Court courtrooms with quality court recording systems, sound systems, and interactive video and digital evidence display systems.

The Judicial Branch has worked with staff from the Department of Administration's Information Technology Services Division on this proposal as it relies heavily on the State's telecommunications network - SummitNet II and the State's document and content management system "FileNet." These costs are included in the proposal.

On-going expenses are anticipated for interactive video transport and document imaging storage – both of these costs are determined by rates established by the Department of Administration at the beginning of each biennium.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$260,723	\$260,723
FY 2009	\$260,723	\$260,723

PL-1007- IT Software Maintenance -

This proposal seeks \$260,723 of general fund support in each year of biennium for maintenance of the FullCourt Case Management System in the Courts of Limited Jurisdiction and maintenance for the C-Track Appellate Case Management system for the Supreme Court. The Office of the Court Administrator currently pays \$540 per license (seat) for maintenance of the FullCourt Case Management System in the Courts of Limited Jurisdiction. By July 1, 2006, there will be 317 licenses in use at an annual maintenance cost of \$171,180 per year. The Office of the Court Administrator is piloting FullCourt in the District Courts. The vendor (JSI) has offered an enterprise licensing agreement for Montana. If an agreement is made with JSI, the annual maintenance for all Montana courts would be \$315,000 per year. This proposal requests \$156,723 (\$315,000-\$158,277) for this software maintenance cost increase.

FullCourt maintenance costs are estimated at \$315,000 per year. C-Track maintenance costs are estimated at \$104,000 per year. These costs are off-set by the \$158,277 in the Court IT 2006 base budget for FullCourt license maintenance.

SECRETARY OF STATE'S OFFICE (3201):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,256,500	\$0
FY 2009	\$0	\$0

NP-2- Agency Technology Projects-

The Office of the Secretary of State has initiated three technology projects that focus on improving the efficiency of services now provided and expanding the services provided to allow for access to a larger array of online services and public information. The Administrative Rules Automation Initiative project will allow for more timely updates of the Administrative Rules of Montana, improve public access to online products, and will provide for a more streamlined rule submittal process for state agencies. The Online Candidate Filing project will allow candidates to conveniently file for office online. The Business Services project will replace the existing mainframe systems and create the opportunity to expand online services for the public and streamline internal processes. The estimated cost of operation and maintenance in future years is \$100,000 per year.

OFFICE OF PUBLIC INSTRUCTION (3501):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,866,814	\$1,866,814
FY 2009	\$1,592,133	\$1,592,133

NP-6- K12 Education Data System-

This data system will continue to improve data collections practices and data quality about K-12 students and be enhanced to include data on educators. Better data on students and staffing assists with better policy decision about student needs and will aid in meeting local, state and federal requirements. Continuation, enhancement, and expansion of the K-12 Education Data System will cost \$3,458,947 in the 2009 biennium and provide 4.00 FTE to the Office of Public Instruction (OPI) for the operation and maintenance of the systems. The OPI will focus on the following:

- Enhancements of the existing e-grants system to include submission, review, and tracking of school district state and federal education grant applications. OPI will also incorporate the electronic grants management tool into the five year comprehensive education plan.
- Expansion will include data collection on school staffing to provide better information for decisions about recruitment and retention of highly qualified teachers in the 2009 biennium.
- This funding also provides \$3.25 per student enrolled in each district to help districts cover the cost of exchanging data between the district and the state data systems for an annual cost of \$475,000.
- The OPI and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom.

This request supports the AIM (Assessment in Montana) and E-Grants systems under OPI's Montana Statewide Accountability System for Education (MontSASE) data system umbrella. Contracts with vendors outside of state

Information Technology Recommendations

government have been signed to provide data services. Expansion will include data collection on school staffing to provide better information for decisions about recruitment and retention of highly qualified teachers in the 2009 biennium. Funding will be needed for on-going contracts with vendors currently estimated at \$609,000 and for personal services and operating budgets for 4 FTE at OPI, including the OPI project manager, data resource administrator, database administrator, and student records manager of \$507,000. OPI also proposes to allocate \$3.25 per student totaling \$475,000 annually to assist schools with the exchange of data between local district systems and the state education data systems.

DEPARTMENT OF JUSTICE (4110):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$375,000	\$0
FY 2009	\$375,000	\$0

2905-PL- Additional Spending Authority for IJIS Broker-

The Dept of Justice is requesting \$750,000 as a biennial appropriation of state special revenue authority for the Integrated Justice Information System (IJIS) Broker project. The 2005 legislature appropriated \$250,000 to begin the project. The IJIS Broker is the first and biggest step in integrating the state justice systems into one virtual system. This system will allow all state, local, and federal agencies to connect with each other at a minimal cost to the agencies. This includes but is not limited to: CJIN, Intel systems, RMS systems, NCIC, NCIS, CHRS, Electronic Dispositions, Electronic Tickets, Driver Photos, BIO Metrics, etc. This will allow each Justice agency to share information without having to replace existing systems. It is not anticipated that any other state agency will be impacted by this proposal. Costs of operation and maintenance are to be taken out of the current operational budgets of the agency.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$375,000	\$0
FY 2009	\$0	\$0

2907-PL- Increase Spending Authority for CJIN Refresh-

A refresh of the Criminal Justice Information Network (CJIN) is conducted every four years. A refresh was not conducted in FY 2006 and the authority was not in the agency's base. The Department of Justice needs to increase the state special revenue spending authority for the biennium to accomplish this task. The CJIN refresh is much like the state computer replacement cycle. It allows the Criminal Justice Information Network the ability to utilize technology to exchange information between local, state, and federal agencies. This is the federal network and falls under their span of control.

- To upgrade and replace the older non-supported equipment.
- The system success will be measured through the successful implementation and testing of the system.
- An RFP, Project Plan, ITPR, and other issues must be completed starting in November of 2007.
- The work will be done by department IT staff.

It is not anticipated that any other state agency will be impacted by this proposal.

The refresh is done on a four-year cycle and is paid for out of state special. The CJIN network collects fees and this is used to upgrade and maintain the network.

COMMISSIONER OF HIGHER EDUCATION:

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,291,099	\$1,291,099
FY 2009	\$253,901	\$253,901

NP-1051- Improve Transferability and Student Data OTO-

For several years and sometimes in very strong terms, policymakers in Montana have been urging the Montana University System (MUS) to do something to improve transferability of coursework. The Office of Public Instruction (OPI) and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom. This application addresses those concerns with a system that will transfer student's coursework to the degree requirements at his/her new institution. The two primary goals of this initiative are:

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- 1) Improved transferability in the Montana University System, focusing on academic programs or course offerings that are available at several campuses, and programs that has the most transfer students,
- 2) The development of a comprehensive and more sophisticated database for the Montana University System, and the integration of that database with other state agency data Systems.

The cost of the project is \$1,545,000 general fund OTO. Impacts would be to the Office of Public Instruction Montana Statewide Accountability System for Education (MontSASE) and the Department of Labor and Industry Unemployment Insurance Wage Database. A breakout of costs & resources is \$350,000 OTO for development of a data warehouse, and \$500,000 for Faculty Program Council expenses. Ongoing costs of \$625,000 will sustain and support 2.5 FTE, operating expenses and faculty council expenses, facilitation of dual enrollment \$70,000.

DEPARTMENT OF ENVIRONMENTAL QUALITY (5301):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$800,000	\$800,000

PL-1001- Business Process Improvement OTO-

DEQ proposes to analyze its existing business processes for accounts receivable and subdivision permitting application and review to identify and implement improvements in quality of service, efficiency, timeliness, consistency, and cost-effectiveness. Specific focus areas are accounts receivable and subdivision permit application and review. The DEQ was formed from parts of three former departments, each with a different way of doing business. This inconsistency sometimes leads to costly inefficiencies and delayed revenue collection. It is not anticipated that this project will affect or cause a financial impact on any other state agency. This one-time-only general fund budget request is for \$1,000,000 in FY 2008 and \$800,000 in FY 2009.

Future maintenance costs are anticipated to be approximately the same as current maintenance costs; estimated at \$75,000 per year for all enterprise systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$271,363	\$0
FY 2009	\$271,219	\$0

PL-1003- Central Management Information Technology Grants-

The budget request of \$271,363 in FY 2008 and \$271,219 in FY 2009 federal special revenue is recommended for upgrading DEQ's databases and hardware to achieve the long-term goal of participating in the Environmental Information Network. The environmental information will be made available to the Environmental Protection Agency and relevant organizations especially to assist in decision making in the event of national disasters and terrorist activities. The hardware and software account for the majority of the costs, which the grant covers.

This project could have an impact on other state agencies including: Department of Justice, Department of Public Health and Human Services, and the Montana State Library. However, it is not anticipated that the project will cause a significant financial impact on any of these agencies. Cost may actually be less in future years because DEQ won't have to re-enter data. Equipment replacement every four years equates to approximately \$1,500 per year.

DEPARTMENT OF TRANSPORTATION (5401):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$234,449	\$0
FY 2009	\$256,151	\$0

PL- 1502- ACS Contract – Restricted -

This project is necessary to allow MDT's Motor Carrier Services Division to fulfill its responsibilities to the traveling public by continuing the contract with Affiliated Computer Services (ACS) for a variety of IT-based computer systems associated with permitting and compliance of the commercial motor carriers operating in Montana. It is not anticipated that this project will impact any other state agencies.

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The total cost of the ACS systems for FY2008 & FY2009 are estimated to be \$234,449 and \$256,151 respectively. It requires approximately 0.5 FTE to manage the contract and system enhancements with ACS. The cost of this proposal for the ACS contract is \$490,600 for the biennium of state special revenue. The estimated cost of operation and maintenance of ACS in it's entirety in future years is approximately \$700,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$79,789)	\$0
FY 2009	\$540,911	\$0

PL-1509- IT Equipment Replacement -

In the second year of the biennium, the department's Information Services Division anticipates a need to begin replacing some of it's more expensive video equipment, as well as replacing more desktop units than were replaced in the base year. This request is for \$461,122 of highway state special revenue for the biennium. All of MDT's IT applications are impacted by this project in one way or another but there is no anticipated impact to any other state agencies.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$155,642	\$0
FY 2009	\$163,940	\$0

PL-1512- IT Maintenance Costs-

This project allows MDT's Information Services Division to continue the maintenance costs on a wide variety of IT hardware and software. It is not anticipated that systems in any other state agency will be impacted. Internal MDT systems that will be impact include: Imageviewer Van software, ArcView software, computer imaging software, Oracle, Classroom software, Altiris PC management software, Wise packaging software, SUSE software, OmniStar software, Casewise software, XML software, and COOP software.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$195,164	\$0
FY 2009	\$180,263	\$0

PL-2101- GIS Enterprise Project it -

This will enable the DNRC to implement an Enterprise GIS providing an organization-wide approach that facilitates the integration, implementation, operation, and management of tabular and spatial information. The budget request is for state special revenue of \$195,164 in FY 2008 and \$180,263 in FY 2009. This provides many benefits and opportunities to an organization by streamlining work processes; allowing integration of data and systems; improving accessibility and data management; reducing duplication of efforts and costs (hardware, software & personnel); rapid automated updating; and leveraging of an organization's data for decision-making, and analysis. A team of IT staff and GIS staff from ITSD and DNRC are working on a plan for hardware and software to support GIS within the Water Resources Division of DNRC. The DNRC GIS Coordinator and GIS specialists in DNRC work with ITSD staff on deployment of the hardware and software in the ITSD data center. Coordination will be provided by a project manager in ITSD and the IT Bureau Chief in DNRC. Both the Department of Administration and Natural Resources Information System (NRIS) would be involved in the Enterprise approach. A statewide license will be investigated, but at a minimum, a Department license will be pursued. Savings are unknown at this time. Annual maintenance costs are estimated between \$100,000 and \$200,000 depending on how a statewide license can be addressed.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$212,669	\$0
FY 2009	\$212,696	\$0

NP-2203- O&G Public Assess Data System It -

DNRC proposes \$212,669 state special revenue per year of the 2009 biennium to continue a historical records acquisition project started in the 2005 biennium. The project involves the scanning and microfilming of historical records and making them available for internet or other public accessibility. The FTE will scan and index historical documents housed in the Billings office while the majority of the operating budget is to contract with the Secretary of State's Office to microfilm historical records housed in the Helena office.

There are no impacts anticipated to other agencies. This project is being done in-house at Oil and Gas Division and through the Secretary of State's office which are already doing the project. Once all the historical records are scanned and/or filmed, there will be an FTE cost (approximately \$50,000 per year including benefits) to maintain the database and add new records.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$242,738	\$86,538
FY 2009	\$222,932	\$67,005

PL-2401- Water Resources Operating Adjustment -

This proposal requests an increase of \$153,543 general fund and \$312,127 in state special revenue authority for the 2009 biennium for operating adjustments. The request includes overtime at the Broadwater hydropower facility, increased contracted services for water right files and adjudication, the Stream Gauging Program, regional and water right adjudication program rent, annualization of operating costs associated with the St. Mary's hydrologist position that was not filled until January 2006, and debt service for repayment of a federal loan for rehabilitation on the Middle Creek Dam. The National Park Service and the Montana Bureau of Mines and Geology may be impacted by this proposal but it is not anticipated that it will cause a significant financial impact on either agency. There should be no additional operations and maintenance costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$390,000	\$257,400
FY 2009	\$390,000	\$257,400

NP-3501- Radio Communications IT RST -

The Executive recommends \$257,400 general fund and \$132,600 state special revenue each year of the biennium for the conversion to P-25 compliant communications equipment to achieve inter-operability between emergency responders. This would entail replacement of 1000 handheld, mobile radios and base stations, plus 29 repeater sites. Complete conversion will span the next 5 biennium, at a projected cost of \$390,000 each year. This request is contingent on passage and approval of LC 0221.

Replacement and upgrades would be coordinated with other entities in the consortium. There are no impacts to other agencies anticipated.

DEPARTMENT OF REVENUE (5801):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,897,904	\$2,897,904
FY 2009	\$3,923,500	\$3,923,500

NP-202- Free Electronic Filing -

This proposal requests a general fund total of \$2,897,904 in FY 2008 and \$3,923,500 in FY 2009, of which \$2,261,644 in FY 2008 and \$3,058,331 in FY 2009 is one-time only, to provide additional e-services, including free electronic filing and Telefile services to the citizens of Montana. This includes funding for 6.00 FTE to administer e-services, funding for filing annual MW3-W2/1099's, funding for filing C-Corp, S-Corp and Partnerships, funding for additional e-payment options, funding for e-services marketing, funding for web based software Taxpayer Access Point (TAP), and funding for free Telefile services.

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Approximately 50% of Montana taxpayers file annual individual income tax returns electronically and this proposal will provide more accessible electronic filing and Telefile options to taxpayers who need it. These services will result in more accurate returns and payment processing, faster refunds for taxpayers and/or more current revenue estimates for the state and, in future biennia, improved efficiency and effectiveness of department operations.

IT applications for all branches of government that may be impacted are:

1. Many of the e-services to be provided by the department are dependant upon coordination with other partners: IRS for modernized e-file project; Tax Information Group for Electronic Commerce Requirements Standardization (TIGERS) for approval of Extensible Markup Language (XML) schema for specific tax forms; Department of Administration(DOA), Information Technology Services Division (ITSD), for implementation of additional web services in conjunction with modernized e-file and TAP web on-line services, and for implementation of the Interactive Voice Response (IVR) application for Telefile with the state telephone services provider.
2. Tax prep software vendor development and implementation of state tax forms for public use to e-file.
3. Other department priorities impacting business staff and/or developer/technical staff delaying actual implementation.
4. Technical impacts such as software and/or hardware requirements.

It is not anticipated that any other state agencies will be impacted by this proposal. The annual operating and maintenance cost is projected to be \$4,570,000 in the next biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,917,344	\$3,702,344
FY 2009	\$3,934,692	\$3,874,692

PL-201- Ongoing System Costs -

This proposal requests \$7,577,036 general fund and \$275,000 state special and \$79,200 in federal appropriation authority for ongoing costs of existing systems in the 2009 biennium. This includes funding for maintenance and mid-tier costs to ensure the new department computer systems continue to operate, funding to cover the cost of providing the statutorily mandated "New Hire" service, and funding to allow the department to collect the water adjudication fee authorized by the 2005 Legislature.

It is not anticipated that this request will cause a financial impact on any other state agency. The annual maintenance and support agreement for the Integrated Revenue Information System (IRIS) is \$3.2 million over the biennium and \$871,872 for the Property Valuation and Assessment System (PVAS). This cost is for the vendors to maintain and support their systems. Because the IRIS project was on-going during FY 2006, a full year of maintenance costs was not incurred in the base year; only \$500,000 was actually incurred during FY 2006 for IRIS maintenance. The PVAS system was in the development stage during FY 2006 and no maintenance costs were incurred.

DEPARTMENT OF ADMINISTRATION (6101):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$800,000	\$0
FY 2009	\$0	\$0

NP-710- Geographic Coordinate Database (Bien) -

This request is to extend current funds into the next biennium to invest in federal/state/local partnerships to enhance the accuracy of the Geographic Coordinate Database. Federal special revenue authority of \$800,000 is requested as a biennial appropriation. Any agency that uses the cadastral database will depend on the accuracy of the information it contains and will be impacted favorably. However, it is not anticipated that this project will cause a financial impact on any other state agency.

No annual operational or maintenance expense will be needed once information is in database. Additional funding may be needed to continue to add more information in years to come.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$924,000	\$0
FY 2009	\$940,000	\$0

PL-709- Network & Server Investment to Provide 24/7 IT Svcs-

The state has increasing demands to provide 24x7 e-services to citizens. It has become critical for the systems that provide these services to remain operational even when certain components fail or must be taken down for maintenance. These include: the network servers, disk storage, tape backup systems, and uninterruptible power supplies. This proposal is designed to fund high availability in the following areas: Servers - provide more server redundancy through use of clustering and virtualization technology; Disk Storage - implement additional storage area networks (SANs) to allow for disk mirroring between the primary data center and an alternate site; Tape Backup System - implement an additional automated tape library so that backup processing can continue in the event of a failure to the existing ATL; and Uninterruptible Power Supply - install a secondary UPS so that processing can continue uninterrupted even if the primary UPS fails. Cost of the project is \$1,864,000 in proprietary funds; maintenance and supplies are approximately \$50K per year.

The total estimated cost of this proposal will have to be recovered by all agencies that use the networking and computing environments.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,823,000	\$7,823,000
FY 2009	\$0	\$0

PL-712- Northern Tier Network Expansion/OTO-

The executive requests a one-time-only general fund appropriation of \$7,823,000 to expand the capacity of the state network. The request will provide funding for the communications expenses, equipment and software needed to support a reliable, predictable, secure, and cost-effective network environment. This network exists to support state agencies administrative and business applications, connectivity between state and local governments, and citizen access to e-government services, including public safety and public health services.

All state IT applications will be impacted favorably. Ongoing communications and equipment costs may have to be recovered by agencies if general funding is not continued in upcoming bienniums. Estimated cost of operation and maintenance at this time is unknown, but there will be ongoing communication and equipment replacement costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,000,000	\$5,000,000
FY 2009	\$0	\$0

NP- 729- Public Safety Radio-Consortium funding (OTO/Bien)-

The Information Technology Services Division is requesting a one-time-only, biennial, general fund appropriation of \$5,000,000 to support the multi-year build-out of the Interoperability Montana wireless public safety radio system. The funding will permit additional expansion of key public safety radio sites throughout the state and provide limited equipment for local law enforcement, fire and EMS to use the networked communication system.

This request will be combined with federal Homeland Security Funding received during 2006, and expected funding to be applied for 2007, to develop the Interoperability Montana system. The Interoperability Montana Communications Project is a collaboration of local public safety agencies through nine regional consortia, including partnerships with State of Montana and Federal agencies, to enhance and improve communications for everyday emergency response, natural and manmade disasters, and events of national security. All 56 counties and seven Tribal nations, and primary State of Montana radio users are participants in the Interoperable Montana Project. The funding of this proposal is critical for Montana to seek additional federal Homeland Security and other grant funds requiring demonstration of state participation for interoperable communication build-out.

Any agency that will use the Interoperability Montana wireless public safety radio system will be impacted favorably. There are no anticipated costs or impacts to other agencies at this time. The estimated cost of operation and maintenance at this time is unknown.

Information Technology Recommendations

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$3,500,000	\$3,500,000

NP- 730- Public Safety Radio-Interoperability MT Funding OTO-

The Information Technology Services Division is requesting a one-time-only general fund appropriation \$3,500,000 in FY 2009 to support the deployment of a second, redundant controller and transmission system for the Interoperability Montana wireless public safety radio system. The funding will permit the purchase of additional controlling infrastructure to be placed in the eastern portion of Montana to serve as a backup to main controller in Helena. In addition, digital microwave infrastructure needed to connect the two controllers will be upgraded to meet the needs of this equipment.

Use of the Interoperability Montana radio system by key law enforcement, EMS and fire agencies requires that important equipment be installed to ensure reliable operation of the system. The upgrade of digital microwave capability and the installation of a second master controller will assist in reaching this goal. Any agency that will use the Interoperability Montana wireless public safety radio system will be impacted favorably. Maintenance and operation cost are unknown.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,000,000	\$4,000,000
FY 2009	\$0	\$0

NP- 727 Statewide E 911 Network (OTO Biennial)-

The executive requests funding for a one-time-only biennial general fund appropriation of \$4,000,000 to the Information Technology Services Division to support a multi-year build-out of the statewide E9-1-1 network. This funding would be used to provide four additional Public Safety Answering Points (PSAPs), and to provide wireless public safety position determining equipment on the Statewide Network in order to provide the location of 9-1-1 calls made from wireless devices. This proposal is a significant project within the Department of Administration Public Safety Services Bureau (PSSB) and allows for the continued development of this ongoing state-of-the-art 9-1-1 system.

No other branches of government will be impacted. Estimated cost of operation and maintenance are unknown.

DEPARTMENT OF CORRECTIONS:

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$170,000	\$170,000
FY 2009	\$130,000	\$130,000

PL-119- IT Service Upgrade -

This request is for hardware, software, and licenses to upgrade existing systems needing replacement, capacity increases for services that are becoming more heavily utilized, and adding redundancy to critical systems. Included in this request is the purchase of two additional servers for the deployment of Citrix, additional user licenses for Citrix, three servers for upgrades to existing Oracle servers, an upgrade to our existing blade enclosure, and additional equipment on the Departments Storage Area Network in order to make it more fault tolerant. Additionally the Department's training lab consisting of 24 work stations, 12 fixed and 12 portable will be at the end of its useful life in FY 2008 and will need to be replaced. The departments AS/400 are aging and will need to be replaced if the applications operating on it are not moved away from it. Currently the departments Offender Management Information System, Restitution collection system, supervision fee collection system, and Justice Acis Query System are running on the AS/400. It is not anticipated that this request will have an impact on any other state agency. This decision package request is for \$300,000 general fund with \$30,000 estimated for operation and maintenance.

Information Technology Recommendations

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,622,424	\$2,622,424
FY 2009	\$0	\$0

NP-120- Interoperable Communication Project – OTO -

The vast majority of the ability to communicate with land mobile radios for the department comes from the authorization of local governments and 9-1-1 Centers across the state. Changes in this industry have necessitated this request to replace the existing radios and communications infrastructure throughout the department and its institutions. This general fund one-time-only biennial request is for \$2,622,424. It is not anticipated that any other state agency will be impacted by this proposal. Project costs are for installation and replacement of existing base, mobile and portable radios stations for probation and parole officers/offices and all DOC facilities, (adult/juvenile). Infrastructure updates will be to towers, radio shelters and antennas. Maintenance costs will be taken out of the current operational budgets for each program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$350,000	\$350,000
FY 2009	\$26,750	\$26,750

PL-118- MSP Fiber Plant Upgrade OTO -

This one-time-only, restricted request will replace the existing fiber plant at Montana State Prison (MSP) which is obsolete and incapable of meeting the needs of the department. In addition, existing switches are out of warranty and it is anticipated by the Department of Administration ITSD design group that replacement parts will be out of manufacture by the first or second quarter 2007. The Executive recommends \$350,000 in FY 2008 and \$26,750 in FY 2009 of general fund for this request. It is not anticipated that this request will have an impact on any other state agency.

The department also anticipates future technologies that would require this infrastructure upgrade. For example, key control systems, card readers, officer accountability tracking, officer down systems, proximity detection, RFID tool and equipment tracking, and possibly even inmate locators.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (6901):

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$800,000	\$200,000
FY 2009	\$0	\$0

NP-40004 – MMIS and Mental Health Systems Analysis (BIEN/OTO) -

This decision package will produce a comprehensive, independent evaluation of the current MMIS and Mental Health systems to determine the agency needs for possible replacement systems. The current systems are twenty years old and built on a platform that is out of date with current technologies and is restrictive in the ability to make changes or upgrades and the systems are becoming more difficult to support. The results of this analysis will determine if major system enhancements will suffice to bring the systems up to speed with current program changes, or if new system re-writes will be required. The conclusions of this analysis will drive an EPP request for the 2011 biennium budget cycle for costs associated with either the major system enhancement or total system re-write. If it is determined that new system re-writes are necessary, this will result in a competitive procurement process.

The Medicaid Management Information System and Mental Health System would be impacted. The information derived from this evaluation will determine if it is necessary to procure new systems, or if enhancements to existing systems will suffice. Rough estimates for MMIS at this time could be as high as \$70 million to procure the system. The budget request for 2009 biennium is \$800,000 one-time-only with \$600,000 in federal special revenue and \$200,000 general fund. There are no ongoing costs for operations and maintenance.

Information Technology Recommendations

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$1,000,000	\$100,000

NP-40011- Request for Funding for International Classification of Disease-10-Clinical Modification (ICD-10)-

ICD-10 is the new procedure and diagnosis code set for Medicaid Management Information System for federal coding and reporting that will completely replace the current system known as the International Classification of Diseases-9-Clinical Modification (ICD-9-CM). Implementation of ICD-10 is mandated by CMS.

The ICD-10 will impact the Medicaid Management Information System (MMIS) including, but not limited to:

- Updating the procedure and diagnosis structure and content
- Claims processing
- Complete reworking of the Diagnosis Related Groups (DRG) grouping algorithms, Correct Coding Initiatives (CCI)
- Reporting
- Changing/updating internal business rules that rely on procedure and diagnosis codes

Other systems that will be impacted by this change are the Department's decision support system, SURS, financial reporting for the federal draw calculation and prior authorization/utilization review contractors.

There are no costs or impacts to other agencies. The project cost is estimated at \$3,000,000 with expenditures for the 2009 biennium of \$100,000 general fund and \$900,000 federal funds. Moving from ICD-9 to ICD-10 is not expected to increase the cost of the current MMIS maintenance contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,555,000	\$4,205,000
FY 2009	\$0	\$0

NP-90009- New TANF Eligibility System – OTO-

The Economic Assistance Management System (TEAMS), a mainframe system to determine eligibility for Food Stamps, TANF and Medicaid, was developed in the late 1980's. The system does not meet the needs of the users; currently many of the eligibility functions are performed manually on spreadsheets outside the system by the eligibility workers, leaving room for errors and inconsistency, and consuming valuable time. The new system will provide eligibility staff with a more accurate, complete and efficient eligibility determination system. It will allow changes and enhancements to be made quickly and at a lower cost. An updated system will slow the rate of staff expansion required to accommodate increasing caseloads. The system will produce more accurate and efficient Federal reporting. It will improve program management in the areas of quality control, program security, issuance via the Electronic Benefit Transfer (EBT) system as well as interfaces with other systems (i.e., Social Security, Child Support Enforcement, Dept. of Labor, etc.). This will contribute to the overall Department goal of providing accurate and timely assistance to eligible Montanans.

Applications impacted will be TEAMS; the closely-related Medicaid Eligibility System, CHIMES, and replacement of the existing TEAMS system, and the Electronic Benefits Transfer system (EBT). The costs of interfaces and parallel processing are included in the system development estimates, but are not broken out separately. There are no impacts to other systems. Estimated cost of project is \$17,325,000. In the 2009 biennium, one-time-only expenditures of \$9,555,000 are anticipated with \$5,350,000 federal special revenue and \$4,205,000 general fund. Ongoing hosting, maintenance, enhancement and licensing costs are estimated to be at or under \$1,100,000 per year; DPHHS currently pays for the TANF system (as part of TEAMS).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,970,000	\$3,485,000
FY 2009	\$0	\$0

NP-90010- New Food Stamp Eligibility System – OTO-

The Economic Assistance Management System (TEAMS), a mainframe system to determine eligibility for Food Stamps, TANF and Medicaid, was developed in the late 1980's. The system does not meet the needs of the users, currently many of the eligibility functions are performed manually on spreadsheets outside the system by the eligibility workers, leaving room for errors and inconsistency, and consuming valuable time. The new system will provide eligibility staff with a more accurate, complete and efficient eligibility determination system. It will allow changes and enhancements to be made quickly and at a lower cost. An updated system will slow the rate of staff expansion required to accommodate

Information Technology Recommendations

increasing caseloads. The system will produce more accurate and efficient Federal reporting. It will improve program management in the areas of quality control, program security, issuance via the Electronic Benefit Transfer (EBT) system as well as interfaces with other systems (i.e., Social Security, Child Support Enforcement, Dept. of Labor, etc.). This will contribute to the overall Department goal of providing accurate and timely assistance to eligible Montanans.

IT applications that will be impacted are TEAMS; Electronic Benefits Transfer system (EBT). The costs of interfaces and parallel processing are included in the system development estimates but are not broken out separately. There are no impacts to other systems which will create costs that do not appear in these proposals.

This project has an estimated cost of \$13,070,000. For the 2009 biennium, expenditures are anticipated to be \$3,485,000 federal special revenue and \$3,485,000 general fund. Ongoing hosting, maintenance, enhancement and licensing costs are estimated to be at or under the \$1,100,000 per year; DPHHS currently pays for the Food Stamps System (as part of TEAMS).

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$465,000	\$260,400
FY 2009	\$8,339,000	\$4,669,840

NP-90011- New Child & Adult Protective Services System – OTO-

The Child Protective Services (CAPS) system is an automated social services information system covering all major program areas of child protection, juvenile corrections and probation. CAPS is a mainframe system developed in 1996, automating business processes that were, at that time, several years old. The current system no longer meets the needs of the users and does not meet mandated reporting requirements. Many functions are currently being performed outside the system, causing inconsistencies, and leaving room for errors.

The new system will allow changes and enhancements to be made quickly and at a lower cost. The system will produce more accurate and efficient Federal reporting. It will improve program management in the areas of quality control and program security. A new more efficient system will help mitigate the need for additional staff and will drastically improve efficiency, relieving the pressure to staff as caseloads increase. An updated system will enhance the Department's ability to attract recently-trained, qualified program workers and to find well-trained IT staff to maintain and enhance the system. This will contribute to the overall Department goal of providing accurate and timely assistance to Montanans.

Replacement of the CAPS systems is not expected to impact other systems or other agencies. Cost of project is anticipated to be \$27,150,000. For the 2009 biennium, one-time-only expenditures will be \$8,804,000 of which \$3,873,760 is federal special revenue and \$4,930,240 general fund. Ongoing hosting, maintenance, enhancement and licensing costs are estimated to be at or under the \$2,000,000 per year; DPHHS currently pays for CAPS.

Information Technology Recommendations

Table IT-3 IT Expenditure Accounts	
Account	Description
62136	IT Consult & Prof Services
62141	Tape Storage Charges/DOA
62142	Disk Storage Charges/DOA
62144	Misc Network Serv/DOA
62148	SABHRS Administrative Costs
62149	Virtual Private Network
62150	Broadcast Distribution Svcs
62153	Expanded E-Mail Storage
62166	Read/Wrtte Computer Trans/DOA
62169	Contracts With Non-Profits
62171	Mid-Tier Processing / D Of A
62172	Batch CPU Seconds/DOA
62173	Computer Processing/Non-D Of A
62174	Data Network Serv/D Of A
62175	System Development/D Of A
62176	System Development/Non-D Of A
62177	TSO CPU Seconds/DOA
62178	IDMS CPU Seconds/DOA
62180	CICS CPU Seconds/DOA
62181	Data Network Serv/Non-D Of A
62182	Misc Info Sys Serv/Non-DOA
62183	Operational Support/D Of A
62184	Operational Support/Non-D Of A
62185	Laser Print/DOA
62188	Central Imaging
62189	Non-DofA Internet Provider Chg
62194	SBAS On-Line Entry & Edit
621A6	LAN Administration/DofA
621A7	E-Government Transaction Fees
6220A	Audio/Video Components
62245	Minor Equip - Comp Hardware
62245A	Nb Lse Incept Minor Comp Equip
62249	Minor Software
62261	Mus G&C-Software \$1000-4999
62262	Mus G&C-Comp Hrdware 1000-4999
62296	Computer Paper/Central Stores
62306	Capitalizable Communication NB
62319	Cellular Phones
62320	Two-Way Video
62322	Teleconferences
62323	Videosite Mgt Expense
62324	Videosite Misc. Vendor Expense
62370	Telephone Equip Chrg/D Of A
62371	Telephone Equip Crg/Non-D Of A
62372	Telephone Add/Move/Change
62373	Telephone Equip Maintenance
62374	Internet Services/Non DofA
62375	Off Premise Extensions
62376	Local Voice Circuits
62377	Long Distance Voice Circuits
62378	Voice Circuit Add/Move/Change
62379	Local Data Circuits
62380	Long Distance Data Circuits
62381	Data Circuit/D Of A
62382	Data Circuit Add/Move/Change
62383	Video Site-Fee D Of A
62385	Long Distance Chrg/D Of A
62386	Long Distance Chrg/Non-D Of A
62387	Credit Card Calls
62388	Local Calls
62390	Wireless Handheld
62391	Wireless Networking
62522	Software Programs
62743	Multi-User Computers&Terminals
62768	Single User Computers

Table IT-3 (continued)	
Account	Description
62876	Education/Training IT Staff
62892	Electronic Information/Data
62911	Computer Paper
62929	Computer Software
63108	Multi-User Computers&Terminals
63134	Single User Computers
63301	Multi-User Computr Equip-Ls-Nb
63304	Single User Computers-Ls-Nb
63401	Multi-User Software
63402	Single User Software
63403	Software/Central Stores
63502	Installment Purch-IT Equip-NB
69303	Lease Principal for IT
69304	Lease Interest for IT
69404	Install Purch Intrst/IT Purch



GOVERNOR
BRIAN SCHWEITZER

STATE OF MONTANA

SECTION R: REFERENCE

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GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Office of Budget and Program Planning Staff Listing

As of November 15, 2006

David Ewer, Budget Director

Amy Carlson, Finance Manager

Judy Paynter, Revenue & Tax Policy Manager

Amy Sassano, Operations & Budget Manager

Jeanne Nevins, Administrative Assistant

Helen Kittel, Administrative Officer

Revenue Analysts

Marla Larson

Matthew Slonaker

Katie Genadek

<u>Code</u>	<u>Agency</u>	<u>Budget Analyst</u>	<u>Back-Up Staff</u>
Section A – General Government & Transportation			
1104	Legislative Branch	Mike Burke	Eileen Rose
1112	Consumer Counsel	Mike Burke	Eileen Rose
2110	Judiciary	Brent Doig	Amy Sassano
3101	Governor's Office	Mike Burke	Eileen Rose
3201	Secretary of State	Christi Jacobsen	Eileen Rose
3202	Comm. of Political Practices	Mike Burke	Eileen Rose
3401	State Auditor	Mike Burke	Eileen Rose
5401	Dept. of Transportation	Amy Sassano & Christi Jacobsen	
5801	Dept. of Revenue	Christi Jacobsen	Eileen Rose
6101	Dept. of Administration	Christi Jacobsen	Eileen Rose
6103	State Fund	Bob Andersen	Christi Jacobsen
6104	PERS (non-budgeted)	Mark Bruno	Amy Carlson
6105	TRS (non-budgeted)	Mark Bruno	Amy Carlson
6106	Consensus Council	Mike Burke	Christi Jacobsen
6108	Office of Public Defender	Brent Doig	Amy Sassano

Section B – Public Health and Human Services

6901	Dept. of PHHS	Bob Andersen & Pat Sullivan
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Section C – Natural Resources and Commerce

5201	Dept. of Fish, Wildlife & Parks	Eileen Rose	Christi Jacobsen
5301	Dept. of Environmental Quality	Eileen Rose	Christi Jacobsen
5603	Dept. of Livestock	Eileen Rose	Christi Jacobsen
5706	Dept. of Natural Resources and Cons.	Eileen Rose	Christi Jacobsen
6201	Dept. of Agriculture	Eileen Rose	Christi Jacobsen
6501	Dept. of Commerce	Christi Jacobsen	Eileen Rose

Office of Budget and Program Planning Staff Listing

Section D – Public Safety & Justice

4107	Crime Control Division	Brent Doig	Mike Burke
4110	Dept. of Justice	Brent Doig	Mike Burke
4201	Public Service Regulation	Brent Doig	Mike Burke
6401	Dept. of Corrections	Brent Doig	Amy Sassano
6602	Dept. of Labor & Industry	Mike Burke	Brent Doig
6701	Dept. of Military Affairs	Brent Doig	Mike Burke

Section E - Education

3501	OPI	Nancy Hall	Amy Carlson
3511-5	Colleges of Technology	Mark Bruno	Amy Carlson
5101	Board of Public Education	Nancy Hall	Mark Bruno
5102	Commissioner of Higher Education	Mark Bruno	Nancy Hall
5103-8	MUS Six Units	Mark Bruno	Amy Carlson
	Community Colleges and Research	Mark Bruno	Amy Carlson
5109	MAES	Mark Bruno	Nancy Hall
5110	MCES	Mark Bruno	Nancy Hall
5111	Forestry Experiment Station	Mark Bruno	Nancy Hall
5112	Bureau of Mines	Mark Bruno	Nancy Hall
5113	School for the Deaf & Blind	Nancy Hall	Mark Bruno
5114	Montana Arts Council	Nancy Hall	Mark Bruno
5115	State Library	Nancy Hall	Mark Bruno
5117	Montana Historical Society	Nancy Hall	Mark Bruno
5119	Fire Services Training School	Mark Bruno	Nancy Hall

Section F – Long Range Planning –	Mark Bruno	Amy Carlson
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Governor's Appropriation Bills

Introduced Appropriations Bills

2009 Biennium Executive Budget Bills

<u>HB No.</u>	<u>LC No.</u>	<u>Brief Title of Legislation</u>
2	119	General Appropriations Act
3	120	Supplemental Appropriations Bill
4	121	Appropriations by Budget Amendment
5	122	Long-range Building Appropriations
6	124	Renewable Resource Grants
7	126	Reclamation and Development Grants
8	125	Renewable Resource Bonds and Loans
9	127	Cultural & Aesthetic Grant Appropriations
10	128	Supplemental Approp – DNRC Fires
11	129	Treasure State Endowment Appropriations
12	130	GO Bonds for Energy Conservation Program
13	131	Pay Plan for State Employees
	712	Administration IT Bill
	711	Increase Emergency Statutory Appropriation from \$16 to \$25 million
	713	Appropriation to fund Surface Transportation Litigation
		Appropriation to fund Families Fish for Free
		Appropriation to fund Property Tax Reserve Fund
		Appropriation to fund Property Tax Cut
		Appropriation to fund Water Tax Reserve Fund

Supplemental Appropriations

The recommendation for supplemental appropriations in FY 2007 are described below. HB 3 and HB 10 contain all of the supplemental appropriations.

General Government – Section A

Judicial Branch – The Judicial Branch is requesting a supplemental appropriation for FY2007 in the amount of \$2.5 million. The FY2006 variable cost appropriation was insufficient to fully pay District Court variable cost obligations. Consequently, the Branch moved \$2.5 million forward from the FY 2007 budget to cover the FY 2006 shortfall. A supplemental appropriation of \$2.5 million is necessary to enable the Judicial Branch to meet its financial obligations in FY 2007. The supplemental request includes approximately \$800,000 for funding of payment of unfit to proceed costs and associated costs of court-ordered evaluations. These payments would be made to Department of Public Health and Human Services (DPHHS) who deposit such payments back to the state general fund. Therefore, the amount of the payments made to DPHHS will have no net impact on the state general fund.

Department of Transportation - A permanent transfer of \$1.33 million in cash from the General Fund to the state Motor Pool is requested. This contributed capital is needed to pay for the difference between 2006 and 2007 projected fuel costs at the time the rates were developed and actual costs incurred. This contributed capital will supplement the other recent changes made within the Motor Pool Business Plan, and help maintain the solvency of the fund and program.

Office of the Public Defender - The newly created Office of the Public Defender is estimating a supplemental request of approximately \$3.26 million dollars. This shortfall can be attributed to three main reasons; 1) use of state hired attorneys rather than contract, 2) one time costs to purchase computers, phone systems, and design and install a case management system, and 3) overlap of contracted attorneys and state attorneys while cases are being transitioned into the new system.

Public Health and Human Services – Section B

Department of Public Health & Human Services - The Administration anticipates a supplemental request of \$11 million for the Department of Public Health and Human Services for fiscal year 2007. The largest drivers of the request: 1) Costs associated with the overcrowding at the Montana State Hospital - \$3 million; 2) Impact of the Federal Medical Assistance Percentage Change in fiscal year 2007 - \$7 million; and 3) Administrative leave costs at the Montana Developmental Center - \$7 million. The Department of Public Health and Human Services requested and was granted approval to transfer of up to \$6.1 million general fund from FY 2007 to FY 2006. The final amount transferred was approximately \$2.8 million. It is unclear on the success of mitigation efforts for the \$2.8 million to reduce the effects of this transfer into fiscal year 2007. As well, the final impact of the regulations associated with the Deficit Reduction Act have not been finalized, and this could add additional impact to the department's fiscal year 2007 budget. The department continues to examine ways through reversions to offset the fiscal year 2006 general fund impact and anticipates the final amount will be about \$1 million. Recent reviews of the Medicaid costs in fiscal year have been encouraging and the final amount required for a supplemental may be less if this trend continues.

Natural Resources and Commerce – Section C

Department of Livestock – The supplemental request for the Department of Livestock provides an appropriation of \$97,534 from the general fund to the Meat Inspection program to backfill lost federal funding. The funds will allow the program to continue conducting meat and poultry inspection in FY 2007 to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

Department of Natural Resources & Conservation – Forestry Division - The supplemental request for the Department of Natural Resources & Conservation totals \$30,062,271 general fund for the 2007 biennium. Of the total, \$5,062,271 is requested in HB 10. This will provide the department funds to restore base operating budgets that were used to fund costs in FY 2006. Without this appropriation, passed early in the session, the department is at risk of not having enough funding to continue current level operations. The remaining \$25 million is included in HB 3. This request

Supplemental Appropriations

includes \$24 million still required to pay the outstanding bills for FY 2007 (summer of 2006 fire season) and \$1 million to cover costs anticipated to be incurred in the 2007 spring fire season. Any funding not required for these purposes will be returned to the general fund.

Department of Natural Resources & Conservation – Trust Lands Division -The Executives recommends a general fund appropriation in HB 3 of \$507,643 to Department of Natural Resources (DNRC) for administration costs charged to the Morrill Trust and its beneficiary, Montana State University. DNRC will transfer the funds to the trust. The time frame these costs were incurred was from FY 1967 to FY 2002.

In addition, \$52,995 general fund is included in HB 2 to costs of managing the Morrill Trust lands that were paid by other trusts. This transfer will reimburse the other trusts for those costs. Of the \$52,995, \$5 will go to the University of Montana trust, \$12,874 to the Montana State University trust, \$678 to the Montana Tech Trust, \$5,388 to the University of Montana – Western Trust, \$660 to the School for the Deaf & Blind Trust, \$7,502 to the Pine Hills School Trust, and \$25,848 to the Capitol Land Grant Trust. The time frame these costs were incurred was FY 2002 to FY 2003.

These recommendations were made as part of a Legislative Audit of the DNRC. This funding does not concede the legal point that the DNRC compliance with previous and existing state law is unconstitutional. Statutes are deemed to be constitutional unless deemed otherwise by a Montana Court. This issue has yet to be addressed by a court in Montana.

Public Safety and Justice – Section D

Department of Corrections – The Department of Corrections is estimating a shortfall of \$27 million in FY 2007. The department transferred \$11.5 million from FY 2007 to FY 2006 to mitigate a shortfall in the first year of the biennium. The transfer of those funds and projected overruns in FY 2007 related to lack of funding for projected growth, outside medical cost increases, utility costs, and overtime costs are just some of the funding challenges the department is facing.

Department of Justice – The Department of Justice is projecting a shortfall of \$200,000 in both general fund and state special revenue funding. The projected shortfall in the general fund is being caused by an increase in demand for funding in the area of major litigation. The state is involved in a number of lawsuits and these are driving this request. The shortfall in state special revenue funding is being caused by a shortage of funding to pay debt service on the HB261 Motor Vehicle Title and Registration project. This overrun is caused by an increase in draw-downs on the loan and interest rate increases. In addition the bill includes an appropriation of \$375,000 general fund to pay for legal fees of the ACLU as part of the negotiated settlement for the Public Defender lawsuit.

Budget Background Information

Details on How the 2009 Biennium Budget was Developed

Personal Services – The personal services portion of the executive budget is based upon a “snapshot” of actual salaries for authorized FTE, as they existed on the Statewide Accounting, Budgeting and Human Resources System (SABHRS) on June 30, 2006, which was the end of the fiscal year. OBPP prepared the FY 2008 and FY 2009 personal services budgets to reflect HB 447 adopted by the 2005 Legislature, workers comp, unemployment insurance, FICA, retirement contribution rates, number of hours each fiscal year, longevity adjustments, and health insurance rates. These personal services schedules are included in the present law base for current level positions that are authorized for FY 2007 and thus authorized to continue into the 2009 biennium.

Inflation/Deflation - The adjusted base for FY 2008 and FY 2009 includes fully funded personal services costs in the 61000 expenditure accounts. It does not include per diem for boards and advisory committees, overtime, shift differential pay and holidays worked. In addition, the following accounts have been inflated/deflated from the FY 2006 base amounts due to the new recommended amounts/rates:

<u>Account</u>	<u>Name</u>	<u>FY 2008</u>	<u>FY 2009</u>
62142	Disk Storage	-4.40%	-4.40%
62172	Batch CPU	-4.50%	-4.50%
62177	TSO CPU	-4.50%	-4.50%
62178	IDMS/CPU CICS ADS	-4.50%	-4.50%
62180	CICS CPU	-4.50%	-4.50%
62205	Food	4.60%	6.40%
62225	Books and Ref. Material	14.00%	21.90%
62251-98	Meat and Misc Food Items	4.60%	6.40%
62304	Postage and Mailing	8.60%	8.60%
62404	In-State State Motor Pool	19.60%	14.70%
62510	Motor Pool Leased Vehic.	19.60%	14.70%
62601	Electricity	5.20%	7.50%
62603	Natural Gas	31.00%	31.00%
63125	Library Books	14.00%	21.90%

No other inflation or deflation is included in the adjusted base budgets for FY 2008 and FY 2009. Agency requests for other changes to the adjusted base budget were submitted in decision packages (DPs), which will be listed individually in separate tables for legislative action in the Legislative Fiscal Division analysis of the budget.

Fixed Costs - Although most agencies will be billed in the 2009 biennium consistent with the amounts budgeted for fixed costs, there may be a few exceptions, notably network fees that are based on the number of Active Directory connections actually on the system, warrant writing fees for warrants actually issued, and that portion of lease vehicles based on number of miles driven. The total of fixed costs for the 2009 biennium is shown for each fiscal year just above. A brief summary of each fixed cost follows and the manner in which each of these objects was adjusted in the budget is summarized.

Fixed Costs for the 2009 Biennium		
<u>Fixed Cost Account</u>	<u>FY 2008 Amount</u>	<u>FY 2009 Amount</u>
Insurance (62104)	\$12,881,099	\$12,899,240
Warrant Writer (62113)	\$1,024,644	\$1,027,348
Payroll (62114)	\$530,416	\$504,019
Legislative Audit Fees (62122)	\$3,308,527	
SABHRS (62148)	\$6,774,746	\$6,616,145
Data Network Fees (62174)	\$13,258,476	\$13,963,224
Web Services (621A7)		\$438,801
Messenger Services (62307)	\$208,938	\$208,938
Capitol Complex Rent (62527)	\$7,793,660	\$8,178,398
Grounds Maintenance (62770)	\$454,426	\$465,426
SWCAP (62888)	\$2,785,109	\$2,785,109

Budget Background Information

Details on How the 2009 Biennium Budget was Developed

Insurance - The state self-insures for property losses under \$250,000 and claims for general liability, errors and omissions, inland marine, auto liability, and foster care liability.

FY 2006 Budget: \$8,433,904 FY 2008 Budgeted: \$12,881,099 FY 2009 Budgeted: \$12,899,240

Warrant Writer - Check writing and auto-deposit capabilities for two million annual transactions are provided to state agencies. The service is charged out on actual experience and projected based on historical demand.

FY 2006 budget: \$789,475 FY 2008 projected: \$1,024,644 FY 2009 projected: \$1,027,348

Payroll Service - Payroll processing for more than 12,000 state employees has projected operating expenses of \$530,416 in FY 2008 and \$504,019 in FY 2009.

Audit - Total statewide financial compliance audit costs for the 2009 biennium are \$3,308,527. Biennium financial compliance audit costs for the 2007 biennium were \$3,073,930.

SABHRS - Costs to finance the Statewide Accounting, Budgeting, and Human Resource System (SABHRS) have been distributed to state agency budgets. The SABHRS operations bureau will maintain the uniform central management system with total budgeted operating expenses of \$13,390,891 in the 2009 biennium. State agencies will pay this in distributed fixed costs, allocated by FTE and transaction usage, using all funds proportionately.

Data Network Fees - The amount for network fees is the number of agency active directory connections that will be in use in FY 2008 and FY 2009 times a set amount for each fiscal year. The allocation will be \$13,258,476 in FY 2008 and \$13,963,224 in FY 2009.

Messenger Service - Mail sorting, outgoing pickup and incoming mail delivery to all state agencies within the Helena area is a budgeted cost, then distributed as a fixed cost to customer agencies, based upon historical volume, the number of FY 2006 holdouts (similar to a post office box), and the number of FY 2006 deliveries. The distributed fixed costs are \$208,938 each year of the 2009 biennium.

Department of Administration Rent - Agencies within the Capitol Complex will pay \$8.179 and \$8.592 per square foot for office space in FY 2008 and FY 2009, respectively. Warehouse space is budgeted at \$4.209 per square foot (psf) in FY 2008 and \$4.547 psf in FY 2009.

Grounds Maintenance - Capitol grounds maintenance, snow removal, and water charges are paid by Capitol Complex agencies at a rate of \$0.496 psf of rented office space in FY 2008 and \$0.508 in FY 2009.

SWCAP (Statewide Cost Allocation Plan) - The costs of certain general government services financed from the general fund are recovered from non-general fund programs. The OBPP, the Accounting Principles and Financial Reporting Sections, the Treasury, the Classification unit, MT PRRIME debt service, Labor Relations unit, and the Administration & Policy unit of the State Personnel Division are allocated. The SWCAP is based upon an allocation to each state agency for the cost center budget based on indirect measures of workload generated by that agency. The total amount allocated to agencies is \$2,785,109 each year of the 2009 biennium.

Vacancy Savings - Vacancy savings of 4 percent was applied to all agencies, except those with fewer than 20.00 FTE, elected officials, university system faculty, the legislative branch, and the judicial branch. The vacancy savings from the HB 2 base budgets of the affected agencies generated \$59.8 million in all funds for the biennium.

HB 13 pay plan bill also includes a very important biennial contingency account of \$3 million general fund and \$3 million other funds for agencies that are unable to achieve the 4 percent vacancy savings due to lack of staff turnover and agencies that are unable to absorb the full costs of retirement payouts. A number of agencies are projecting very significant, costly retirements in the 2009 biennium and the Executive recommends this contingency, rather than funding individual agencies for unknown projected costs.

Agency Mission, Goals and Objectives - The mission for each state agency is printed as part of the budget. Goals and objectives also are required in accordance with 17-7-111(3)(c), MCA, and are available on the Internet at <http://mt.gov/budget/goalsobj/>.

Budget Background Information

Details on How the 2009 Biennium Budget was Developed

Analysis of Receipts by Fund - The analysis of receipts by fund required by 17-7-124, MCA, is available on request from the OBPP, Room 277 State Capitol.

Proposed Five Percent Budget Reduction Plans – The budget requirements found in 17-7-111(3)(f), MCA, state that agencies with more than 20 FTE must submit a plan to reduce the proposed base budget for the agency from the general appropriations act and the state pay plan by five percent. The plans only apply to the general fund and those state special revenue funds that transfer their interest or fund balance to the general fund. Also exempted are legislative audit costs and administratively attached entities that hire their own staff. All state agencies with the exception of one have submitted their plans and they are available upon request from the OBPP, Room 277 State Capitol. **Note: The Superintendent of Public Instruction refused to submit a five percent plan as required by law, so the plan for the Office of Public Instruction was developed by the Governor's Office of Budget and Program Planning.**

Resource Indemnity Trust Tables

Table R-1 represents the executive revenue estimate and the statutory allocation of the RIT interest for the 2009 Biennium. The \$1,902,296 total carries over for further distribution shown at the top of the recommendations on the second table.

Table R-1 RIT Interest 2009 Biennium				
	FY 2006	FY 2008	FY 2009	Biennium Total
RIT Interest Earnings (Exec Est)	\$5,916,562	\$5,966,773	\$5,740,523	\$11,707,296
Priority Statutory Allocation				
Environmental Contingency Acct		(175,000)		(175,000)
Oil & Gas Prod. Damage Mit Acct		(50,000)		(50,000)
Water Storage Acct		(500,000)		(500,000)
Groundwater Assessment Acct	(300,000)	(300,000)	(300,000)	(600,000)
MSU Northern Stat Approp	(240,000)	(240,000)	(240,000)	(480,000)
FWP-Future Fishers	(350,000)	(500,000)	(500,000)	(1,000,000)
Renewable Resource Grant & Loan	(2,000,000)	(2,000,000)	(2,000,000)	(4,000,000)
Reclamation & Development Grants	(1,200,000)	(1,500,000)	(1,500,000)	(3,000,000)
	\$1,826,562	\$701,773	\$1,200,523	\$1,902,296

Table R-2 on the shows the proposed appropriations of the remaining interest and other revenues in the various RIT accounts recommended for the house bills and state agencies.

Resource Indemnity Trust Tables

Resource Indemnity Trust 2009 Biennium Projected Fund Balances

	Renewable Resource (02272) 30%	Reclamation & Development (02458) 35%	Haz Waste CERCLA (02070) 26%	Environmental Quality Protection (02162) 9%	Groundwater Assessment (02289) 0%	Water Storage (02216) 0%	Orphan Share (02472) 0%	Environmental Contingency RIT (02107)	Oil & Gas Mitigation (02010)	Future Fisheries (02022)
Distribution % of RIT Interest										
Available Fund Balance Beginning FY2006	581,767	4,522,487	117,102	(530,175)	-	342,091	9,145,325	813,145	25,868	-
Revenues (RATC, agency estimates)										
Oil & Gas Production Tax	-	6,099,790	-	-	-	-	6,099,790	-	-	-
RIT Interest - direct	5,050,689	3,665,803	494,597	171,207	600,000	500,000	-	175,000	50,000	1,000,000
RIT Interest - further allocation by above %	-	-	-	-	-	-	-	-	-	-
RIGWA Proceeds	-	1,006,281	544,994	-	732,000	-	1,006,281	-	-	-
Metal Mines Tax (7%)	-	2,598,617	-	-	-	-	-	-	-	-
Coal Tax & Interest (from 04011)	-	-	-	-	-	-	-	-	-	-
STIP/Other Interest	-	-	-	-	-	-	-	-	-	-
Cost Recoveries	-	-	-	-	-	-	-	-	-	-
Transfers - SB 143 - Loans from Orphan Share	-	-	-	-	-	-	-	-	-	-
Transfers - HB 6 from General Fund	-	-	-	-	-	-	-	-	-	-
Transfers - HB 379 Z-L water Treatment Trust	-	-	-	-	-	-	-	-	-	-
Administrative Fees	-	-	-	-	-	-	-	-	-	-
State-owned Project Revenue	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	49,800	1,242,000	-	-	-	-	-	-	-	-
Total Projected Available Revenues	5,100,489	14,612,491	1,039,591	171,207	1,332,000	500,000	7,106,071	175,000	50,000	1,000,000
Executive Appropriations										
HB 6 & 7 Grants	5,900,000	5,196,500	-	-	-	-	-	-	-	-
Special Project	-	2,000,000	-	-	-	-	-	-	-	-
House Bill 7 - Transfers	-	-	-	-	-	-	-	-	-	-
MSU - Northern SA	480,000	-	-	-	-	-	-	-	-	-
UM - Bureau of Mines	-	-	-	-	1,332,000	-	-	-	-	-
DNRC - Centralized Services	54,586	288,715	-	-	-	-	-	-	-	-
DNRC - Conservation and Resource Dev Div	599,564	2,449,102	-	-	-	-	-	-	-	-
DNRC - Oil & Gas Conservation Div	-	-	-	-	-	-	-	-	200,000	-
DNRC - Fire	200,000	1,000,000	-	-	-	-	-	-	-	-
DNRC - Water Resources Div	37,812	424,321	-	-	-	625,000	-	-	-	-
DEQ - Central Management	-	94,418	-	-	-	-	-	-	-	-
DEQ - Planning, Prevention & Assistance	-	-	246,013	-	-	-	-	-	-	-
DEQ - Enforcement	-	8,810	-	-	-	-	-	-	-	-
DEQ - Remediation - SB 489	-	-	-	-	-	-	-	-	-	-
DEQ - Remediation	-	-	58,050	1,496,447	-	-	4,135,026	-	-	-
DEQ - Permitting & Compliance	-	3,328,148	792,953	-	-	-	-	-	-	-
DNRC - Flathead Basin Commission	-	-	-	-	-	-	-	-	-	-
FWP - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Judiciary - Water Court	1,775,445	-	-	-	-	-	-	-	-	-
Military Affairs	-	-	-	-	-	-	-	-	-	-
State Library - NRIS	-	782,872	-	-	-	-	-	-	-	-
Non-Current Year Accrual Activity	-	-	-	-	-	-	-	-	-	-
Non-Budgeted Transfers	-	-	-	-	-	-	-	-	-	-
HB 447 Pay Plan	-	-	-	-	-	-	-	-	-	-
Total Appropriations	9,047,407	15,572,886	1,097,016	1,496,447	1,332,000	625,000	4,135,026	-	200,000	-
Projected Fiscal Year 2009 Ending Balance	(3,365,151)	3,582,092	59,677	(1,855,415)	-	217,091	12,116,370	788,145	(124,132)	1,000,000

196,940.52 Combined Renewable Resources and Reclamation & Development Account Projected Biennium Balances

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